

Purchasing Week

MCGRAW-HILL'S NATIONAL NEWSPAPER OF PURCHASING

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Vol. 1 No. 50

New York, N. Y. December 15, 1958

\$6 A YEAR U. S. AND CANADA \$25 A YEAR FOREIGN

Gas Industry To Buy More, Slow and Easy

Dallas—The natural gas industry, while jubilant over the Supreme Court's go-ahead decision in the "Memphis" rate case, plans to take it slow and easy in ordering material for its revitalized billion-dollar expansion programs.

There will be no jam-up at suppliers. Expansion programs which had been held up by the lower court ruling will be renewed, but the "boom" will not be immediate. As one major supplier to the industry told PURCHASING WEEK:

"They won't be beating at our doors tomorrow, but orders should be better next year than they were this year, and the decision should open up a lot of plans for 1960."

(Continued on page 21)

Higher Tax Warnings Sounded by Rep. Mills

Washington—Industrial buyers concerned about government tax policy are getting some early warnings from the most powerful voice in Congress on taxation.

Rep. Wilbur Mills, chairman of the House Ways and Means Committee, believes additional

(Continued on page 22)

Industry Planning Early '59 Growth

Washington—Every major category of durable goods manufacturing except autos is planning increases of new plant and equipment purchases early in 1959.

The trend was clearly indicated last week in a new survey of business plans by the Department of Commerce and the Securities and Exchange Commission. The government report confirmed findings

(Continued on page 22)

Purchasing Offers Many Opportunities

As a career, purchasing offers many opportunities. A study by PURCHASING WEEK supports this. When questioned, employment agencies, purchasing men, management consultants, and others familiar with the field agreed that purchasing:

- Offers many opportunities for advancement.
- Offers a high degree of security.
- Pays fair and comparable salaries.

Actually purchasing is so good that the small turnover resulting and promotion-from-within makes it difficult for a purchasing agent to find another job.

For complete details see story starting page 12.

This Week's

Purchasing Perspective

DEC. 15-21

Purchasing would gain by application of a little reverse English on the value analysis concept of buying the function rather than the part. Why not insist that salesmen make as much use of the value analysis technique as the purchasing department? That would hasten the day when a salesman will drag out his value analysis manual along with his samples and price list.

In these days when price frequently follows quality and service in order of discussion between buyer and salesman, a practical sales utilization of value analysis methods would seem to be a logical must. Time-consuming sales interviews could be made productive from the first minute if salesmen would go right to the point with a maximum value demonstration of their products.

More precise tailoring of new products to customer needs would result from enthusiastic sales application of value analysis, which currently is in vogue with materials management as one of the most modern applications of purchasing savvy.

The point is important. When manufacturers and other business men were asked recently to list the economic forces which work hardest for expansion, new products were mentioned most often. Expanding markets, growing population, and competition were the next most frequently listed factors in that order.

Asked to rate the expansion forces in order of importance, the more than 3,000 manufacturers saw growing population as No. 1. But new products held second place by a substantial margin.

(Continued on page 21)

Aluminum Producers Follow Trend; Guarantee Prices Through June

Scrap Steel Fails Tradition

Cleveland—Scrap prices appear to be failing in their traditional role as a forerunner of steel industry operating rates and the economy in general.

Rising steel production has seen definite weakening in scrap prices (for example, last week's \$2.50/ton drop in Pittsburgh No. 1 heavy smelting) when, in fact, scrap prices by past performance should be on the uptrend too. Purchasing men will be affected by this changing scrap picture.

Now, worried iron and steel scrap dealers and producers have taken their market problems to Washington. First step was to tell the Office of Civil and Defense Mobilization their troubles in order to explore what, if anything, can be done about them

(Continued on page 21)

Coal Price Boost Next; Miners Got Pay Hike

Pittsburgh—The \$2 a day wage increase won by John L. Lewis for 180,000 bituminous miners will boost soft coal prices starting around the first of the year.

The amount of the price boost still is to be determined, but industry sources estimate the boost at between 20 and 30¢ a ton. The

(Continued on page 4)

Talk of Raise Fades as Firms Act to Stabilize Market; Move Gives Purchasing Men 'Greenlight'

New York—Aluminum producers, for the time being at least, have joined the industrial trend toward "guaranteed near-term pricing." All producers have now agreed to a price freeze on both ingot and aluminum products through mid-1959.

These and other moves in this direction (many cement producers have granted a similar guarantee for all of 1959) can have important implications for your own purchasing and inventory policies (see Price Perspective, page 2).

The trend, if it continues, should help keep the lid on the 1959 price structure as well as help stabilize your buying operations. And, in a way, it is a verification of the "no near-term inflation" conclusions reached by last week's PURCHASING WEEK panel of price experts (P.W. Dec. 8, p. 1).

Foreign Trade Clouds Business

New York—Rising imports and exports may alter the 1959 price and supply picture. On the import side, higher U.S. take of raw materials will bolster world commodity prices. But continued heavy incoming shipments of manufactured goods will keep prices on some similar domestic products under pressure.

Higher exports also will have an effect on prices. You can look for a firming tendency in those types of goods going overseas—chiefly because exports represent additional demand for domestically-produced goods.

The expected rise in our foreign trade is based on solid evidence. Concerning imports, improving business activity plus

(Continued on page 3)

The move in aluminum to a stable near-term price pattern came as quite a surprise to many purchasing men and industry observers. Price increase talk had been in the air for a few months.

The exact reasons behind the U.S. producers' action might have been its use to squelch price increase rumors. A purchasing executive told P.W. "the aluminum people have been beating the drums to get people to use their products instead of others, and I suppose freezing the price like this is one means of attracting business."

In any case, a closer look reveals some good solid economic reasons for the absence of a tag boost at this time. Heavy stocks plus Soviet market penetration,

(Continued on page 23)

Team Offers Purchasing Men Value Analysis

2 G. E. Experts Form Own Consulting Firm

Schenectady—Value analysis, a management technique rapidly developing as one of purchasing's keenest cost-cutting tools, is about to go commercial.

Two General Electric value analysis experts believe purchasing and other management executives, who recognize a need but lack time to develop the know-how for a program on their own, will welcome their unique services.

A number of top companies in the aircraft, electronics, and office equipment fields already have signed up as clients of Value Analysis, Inc., a consulting firm organized by J. K. Fowlkes and Howard L. C. Leslie. Currently staff members with G.E.'s value analysis team, Fowlkes and Leslie will resign around Jan. 1 to devote full time to their company, which they say is the first consulting service specializing exclusively in value analysis techniques.

The two "graduates" of the G.E. "school" are convinced



J. K. FOWLKES



HOWARD L. C. LESLIE

their firm "will fill a definite gap" in industry.

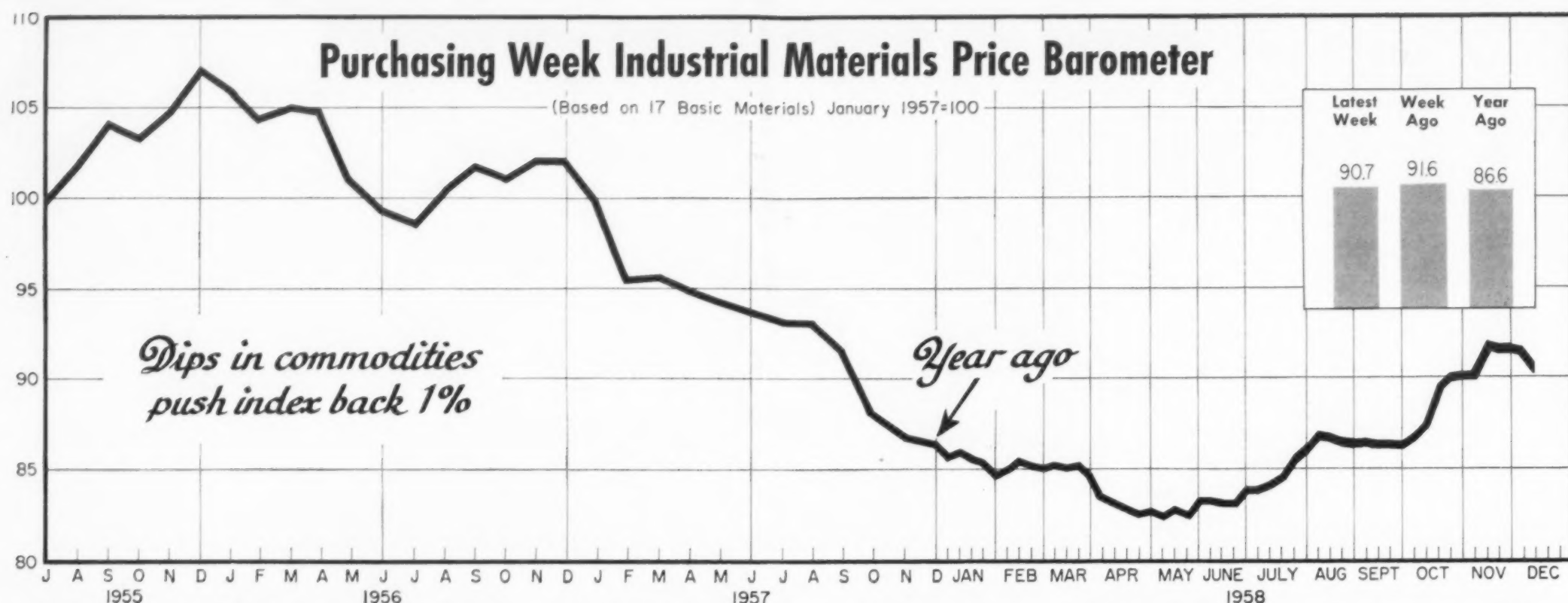
"Value analysis is a revolutionary concept in industry," Leslie told PURCHASING WEEK. "It is actually the key to a more profitable business, a philosophy which opens the gateway to greater profits."

He said Value Analysis, Inc.,

will offer a four-part program:

- Management guidance: Develop an understanding by top management of value analysis; determine value work required to effect maximum profitability; recommend plan of action.
- Value training: Conduct a "tell-show-do" seminar to train

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This index was designed by the McGraw-Hill Department of Economics to serve as an overall sensitive barometer of movements in industrial raw

material prices. The index is not intended to give price movements of specific commodities. The items used are important only in that, together, they re-

fect the current general market trend in sensitive industrials. Weekly prices for most of the items covered are published in "Commodity Prices" below.

This Week's

Price Perspective

DECEMBER 15-21

More and more suppliers seem to be turning to a "guaranteed price" policy—assuring buyers of a steady price for months to come.

Aluminum producers are the latest to fall in line. Their decision last week to guarantee steady tags through next June removes one of the biggest question marks facing buyers of the light metal.

It follows closely on the heels of last month's cement makers' decision to adopt a similar policy. At that time many major cement producers began guaranteeing stable prices for all of 1959.

The fact that more and more firms are willing to go out on the proverbial limb is significant.

It reflects the basic near-term outlook for stability on the part of many businessmen. If they expected costs and prices to soar they would hardly make such price commitments.

Equally important, is the fact that this growing tendency toward "guaranteed pricing" can't help but aid you in your own purchasing operations.

- It takes much of the guess-work out of buying.
- It permits better planning of actual production and inventory needs.
- It discourages expensive and wasteful speculation.
- Most important, it gives you more time for the growing complexities of your other purchasing activities.

Of course, changes in policy by two industries don't make a full-blown trend. And how far this tendency goes remains to be seen.

Nevertheless it's encouraging to know that cement and aluminum have joined the growing list of items where you can expect near-term stability.

Strictly speaking, guaranteed quotes are only one phase of general industrial pricing policy.

The fact is that many firms have been reexamining their whole pricing structure in recent months.

It's growing competition that's basically behind all these reappraisals. With supplies ample, each seller is anxious to capture that "additional order" that always crops up as business continues to recover.

Certainly the aluminum and cement actions are in part competition-inspired. Probably the same reason lies behind last month's decision by the American Can Co. to readjust its pricing policy—a readjustment which tended to lower prices and make quotations more equitable.

Competition, particularly from foreign sources, probably also is behind recent proposal to streamline pricing of industrial fasteners.

This competitive factor is important in another way. It underscores the necessity for examining all factors that enter the pricing equation.

Aluminum is a case in point. With competition keen, predicting a price rise (as many did) only by looking at the demand pickup proved a bit foolhardy and dangerous.

These red-faced experts generally tended to ignore important supply factors (ample stocks, excess capacity, and foreign competition) as well as aluminum producers' avowed goal to capture a wider share of the metal market in the coming year.

Competition dictates that demand and supply both play important roles.

Looking at one you only get half the picture.

This Week's Commodity Prices

	Dec. 10	Dec. 3	Year Ago	% Yrly Change
METALS				
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton	80.00	80.00	77.50	+ 3.2
Steel, structural shapes, Pitts., cwt	5.50	5.50	5.275	+ 4.3
Steel, structural shapes, Los Angeles, cwt	6.20	6.20	5.975	+ 3.8
Steel, bars, del., Phila., cwt	5.975	5.975	5.725	+ 4.4
Steel, bars, Pitts., cwt	5.675	5.675	5.425	+ 4.6
Steel, plates, Chicago, cwt	5.30	5.30	5.10	+ 3.9
Steel scrap, #1 heavy, del. Pitts., gross ton	42.00	42.00	31.50	+33.3
Steel scrap, #1 heavy, del. Cleve., gross ton	38.00	38.00	26.50	+43.4
Steel scrap, #1 heavy, del. Chicago, gross ton	42.00	43.00	32.00	+31.3
Aluminum, pig, lb	.247	.247	.26	- 5.0
Secondary aluminum, #380 lb	.218	.218	.223	- 2.3
Copper, electrolytic, wire bars, refinery, lb	.286	.286	.264	+ 8.3
Copper scrap, #2, smelters price, lb	.225	.233	.19	+18.4
Lead, common, N.Y., lb	.13	.13	.13	0
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.74	.74	.70	+ 5.7
Tin, Straits, N.Y., lb	.991	.99	.923	+ 7.4
Zinc, Prime West, East St. Louis, lb	.115	.115	.10	+15.0
FUELS				
Fuel oil #6 or Bunker C, Gulf, bbl	2.00	2.00	2.55	-21.6
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.37	2.37	2.95	-19.7
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.15	2.15	2.85	-24.6
LP-Gas, Propane, Okla. tank cars, gal	.05	.05	.045	+11.1
Gasoline, 91 oct. reg. Chicago, tank car, gal	.115	.113	.128	-10.2
Gasoline, 84 oct. reg. Los Angeles, rack, gal	.108	.108	.126	-14.3
Coal, bituminous, slack, ton	5.75	5.75	6.05	- 5.0
Coke, Connellsville, furnace, ton	15.25	15.25	15.25	0
CHEMICALS				
Ammonia, anhydros, refrigeration, tanks, ton	86.50	86.50	86.50	0
Benzene, petroleum, tanks, Houston, gal	.36	.36	.36	0
Caustic soda, 76% solid, drums, carlots, cwt	4.80	4.80	4.30	+11.6
Coconut, oil, inedible, crude, tanks, N.Y. lb	.205	.205	.153	+43.4
Glycerine, synthetic, tanks, lb	.278	.278	.28	- .7
Linseed oil, raw, in drums, carlots, lb	.165	.165	.184	-10.3
Phthalic anhydride, tanks, lb	.205	.205	.205	0
Polyethylene resin, high pressure molding, carlots, lb	.325	.325	.35	- 7.2
Rosin, W.G. grade, carlots, f.o.b. N.Y. cwt	9.65	9.60	9.05	+ 6.6
Shellac, T.N., N.Y. lb	.31	.31	.34	- 8.8
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid, 66% commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb	.08	.083	.085	- 5.9
Titanium dioxide, anatase, reg. carlots, lb	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng finish, Untrimmed, carlots, CWT	17.00	17.00	17.00	0
Bond paper, #1 sulfite, water marked 20 lb, carton lots, CWT	24.20	24.20	24.20	0
Chipboard, del. N.Y., carlots, ton	100.00	100.00	100.00	0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls	9.00	9.00	9.50	- 5.3
Gummed sealing tape, #2, 60 lb basis, 600 ft bundle	6.40	6.40	6.40	0
Old corrugated boxes, dealers, Chicago, ton	23.00	23.00	17.00	+35.3
BUILDING MATERIALS				
Brick, del. N.Y., 1000	41.25	41.25	41.25	0
Cement, Portland, bulk, del. N.Y., bbl	4.14	4.14	4.42	- 6.3
Glass, window, single B, 40" Bracket, box, fob N.Y.	7.90	7.90	7.09	+11.4
Southern pine lumber, 2x4, s4s, trucklots, fob N.Y.	118.00	118.00	113.00	+ 4.4
Douglas fir lumber, 2x4, s4s, carlots, fob Chicago	129.00	128.00	113.00	+14.2
TEXTILES				
Burlap, 10 oz, 40", 100 yd	10.60	10.75	10.75	- 1.4
Cotton, middling, 1", N.Y., lb	.344	.36	.367	- 6.3
Printcloth, 39", 80x80, N.Y., spot, yd	.182	.182	.178	+ 2.2
Rayon, satin acetate, N.Y., yd	.26	.26	.305	-14.8
Wool tops, N.Y. lb	1.435	1.445	1.560	- 8.0
HIDES AND RUBBER				
Hides, cow, light native, packers, lb	.19	.19	.135	+40.7
Rubber, #1 std ribbed smoked sheets, lb	.304	.31	.305	0

Foreign Trade Clouds Business; Both Imports and Exports Rising

Former Aids Other Nations, Harms U. S. Products;
Latter Aids U. S. Business, Strengthens Prices

(Continued from page 1)
increased foreign offerings should push incoming shipments above this year's estimated \$12.5 billion. Exports, aided by easier credit and increased foreign dollar holdings, should easily top 1958's estimated \$17 billion.
The chart (right) can help put these trade changes in proper perspective. It traces both our import and export history over the past decade.

Dollar Volume to Fall

Note, for example, that dollar volume of imports this year will fall after three consecutive years of gain. However, it is only a small drop—in the order of 3-4%. And it's due in part to the lower prices American buyers have been paying for raw materials.

The dip should prove to be only temporary. For one, increased American buying, as we pull out of the recession, will in itself tend to bolster prices of sensitive imported commodities. And when you couple this increased price with upped physical volume, the import total is bound to rise.

Continuation of large scale foreign automobile imports will also bolster incoming shipments. When all the figures are in, automobile imports this year will probably top year ago levels by a whopping 50%.

'59 Imports to Peak

All these factors—coupled with the still healthy imports of machinery and food—should push 1959 imports to a new postwar peak. Based on the current outlook, a figure of \$14 billion seems to be indicated.

Supporting this outlook is the recent upturn in letters of credit (a barometer of future import activity). Should this gain persist, it's almost a "sure bet" indicator that 1959 imports will be up.

But rise in imports or not, they are still expected to run well behind export totals. Note from the chart that exports have exceeded imports consistently over the past decade.

This is the basic factor behind the "dollar shortage" that has plagued most countries since World War II. Our foreign allies have just not been able to earn enough money from shipping goods to allow them to pay for the goods they need from us.

Reached Climax in 1957

This situation reached a climax early in 1957 during the Suez crisis. Since then, however, the "trade gap" has been narrowing. Thus in 1958, while imports fell, exports fell much more. The result was a reduction in the trade gap by some 42%.

This has meant a gradual improvement in the financial conditions of our foreign customers. More important, it puts them in a relatively good position as far as buying our products in the coming months is concerned.

The figures tell the story. Gold and dollar handlings of foreign countries went up more than \$3

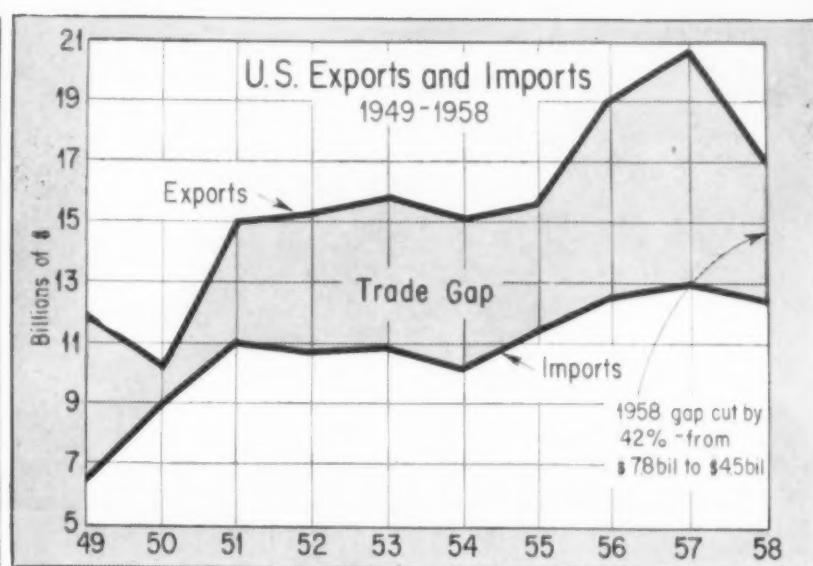
billion in the year ended Aug. 31. That more than balanced the Suez loss of nearly \$1 billion.

Sales abroad also are expected to be spurred on by American firms in the form of greater promotional efforts, better distribution facilities, and custom designing for foreign markets. Also playing a key role will be

price reductions and better credit terms.

The Import Export Bank's credit lines program has particularly helped American producers meet foreign credit competition. Credit also has been stepped up in consumer goods lines. Many large sales are now being made on the cuff for the first time in history.

Another positive export factor: the recovery of the American economy, which will buoy up the dollar receipts of the raw material producing countries. This, in turn, will give them money to buy our capital goods which are badly needed for development purposes.

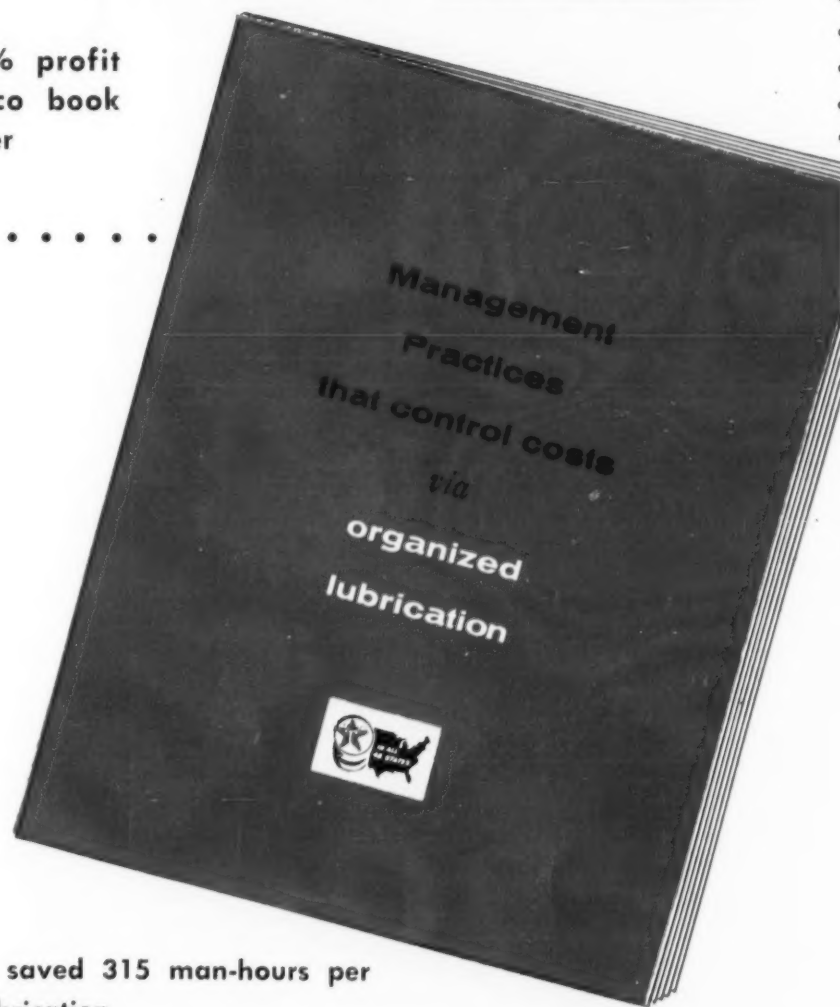


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Washington Perspective

DEC. 15-21

Congress is shifting the focus of interest in its new price investigation.

The Joint Economic Committee resumes public hearings this week (Mon., Dec. 15) on its year-long study of the role that prices play in a free economy.

Congressmen are grappling with the same problems of what determines price movements but in a setting far different from that which accompanied public hearings last May. At that time, the group riveted attention to the question of why prices were continuing to move upward despite the recession.

But prices appear to have levelled off generally in the intervening months and indications are that a period of further stability is in store.

Of immediate interest to the committee is why prices haven't gone down. And another question that will receive much attention is whether the country ever can look forward to a general lowering of prices without experiencing a severe depression.

The hearings promise to be much livelier than the previous ones. Top economists from both industry and labor will be pitted against each other during the four days of hearings. The committee also is bringing eight academic economists back from its earlier session to act as sort of unofficial arbiters.

Chairman Wright Patman (D-Tex.) is taking the opportunity to reopen his attack on the Administration's fiscal and monetary policies.

Patman's attack may be blunted somewhat by the Federal Reserve Board's decision to let up on its tight money policies.

Top F.R.B. officials feel the economy is proceeding at a pace that doesn't justify putting any further squeeze for now on the money markets.

They believe that the temporary slowing down in the rate of recovery during September and October acted as an antidote to inflationary psychology and took some of the pressure off the demand for money.

The Board will act aggressively, however, if borrowers start chasing the dollar in earnest again.

Patman feels that the F.R.B. went too far and too fast in applying the tight money brakes following the end of the recession. He wants to make it easier for business and consumers to borrow money.

President Eisenhower's coming budget has dimmed hopes that federal spending can be held down in the future.

Eisenhower has had, as a principal aim of his office, to try to cut down the size of the federal establishment. But he has seen the budget rise nonetheless the past four years.

Big effort this year is to hold the budget just to \$78 billion, some \$6 billion more than last year. And this figure is almost certain to rise as Democrats add some programs.

Democrats of a more liberal persuasion, fresh from their victories at the polls, feel that more spending programs are necessary than Eisenhower wants to meet the needs of a growing and rapidly urbanizing country.

The Democratic Advisory Council in its recent meeting laid out a broad program calling for greater federal expenditures.

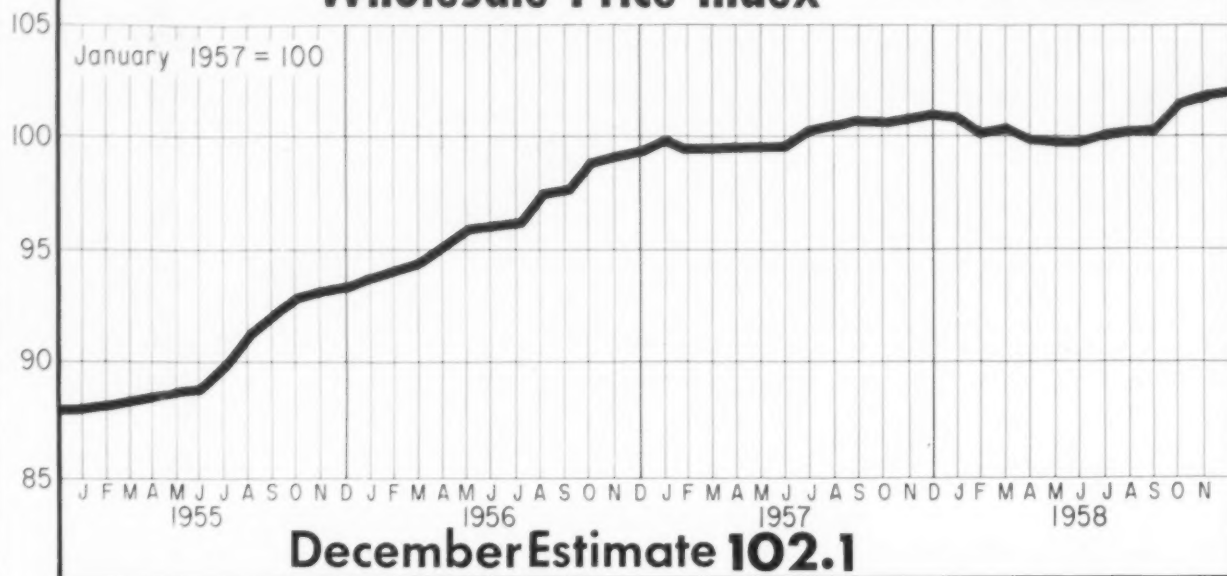
Eisenhower intends to resist, using the power of the veto when necessary. He challenged the Democrats to put forward a program of higher taxes also if they wanted to see more government spending.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	2,015	1,985*	1,770
Autos, units	146,045	123,088*	139,597
Trucks, units	23,375	20,619*	22,636
Crude runs, thous bbl, daily aver	7,666	7,785	7,807
Distillate fuel oil, thous bbl	12,620	13,291	12,896
Residual fuel oil, thous bbl	6,712	6,536	7,592
Gasoline, thous bbl	28,146	28,141	27,670
Petroleum refineries operating rate, %	79.9	81.1	86.0
Container board, thous tons	143,877	148,354	139,287
Boxboard, thous tons	133,405	137,909	119,035
Paper operating rate, %	87.0	91.7*	87.0
Lumber, thous of board ft	196,390	246,699	117,763
Bituminous coal, daily aver thous tons	1,508	1,488*	1,637
Electric power, million kilowatt hours	13,017	12,274	12,315
Eng const awards, mil \$ Eng News-Rec	353.3	399.1	226.5

*Revised

Purchasing Week's Wholesale Price Index



LEVELING OFF ITS PACE OF GAIN IN NOVEMBER, the Industrial Wholesale Price Index should show a continuation of trend in December. This would include

minor boosts in average industrial prices. Continued textile and metal goods strength will be partially offset by weakness in many petroleum prices.

Coal Price Boost After Wage Hike

(Continued from page 1)

principal variant will be only what the traffic will bear.

Midwest marketers were expected here to lead off the markup. Immediately following the signing of new wage agreements with the United Mine Workers Dec. 3 and 4, Truax-Traer and Freeman Coal, both of Chicago, and Peabody Coal, of St. Louis, announced they would have to boost prices in direct proportion to the boost in labor costs.

Appalachian Coals, Inc., which represents producers of Southern high-volatile bituminous, said flatly prices will go up Jan. 1 although the amount was still undetermined.

Pennsylvania and West Virginia producers lagged in announcing their price plans. Mine owners in those states have been plagued by fuel oil competition for Eastern Seaboard utility business and earlier expressed fear they would have to "eat at least part" of the wage agreement costs.

Coal producers estimate that the \$2-a-day-plus that wage costs went up in the new agreement will cost employers 25 to 30¢ for each ton produced. With the price for steam coal now in the neighborhood of \$4.95-\$5.05, the coal owners want to pass on the bundle.

Southern producers face an additional cost factor. Lewis compromised on the non-union coal purchase issue which delayed signing of the contract, but still won a concession that commercial operators would not supplement their production with purchases from non-union mines. That means some marketers will have to set up additional screening facilities at tipples receiving coal from scattered mines. It is estimated that such "segregation" of union and non-union coal could cost as much as 8¢ a ton.

The decision to up the coal consumer's bill is based to a great extent on recent firming of the coal market. In fact, many coal men are voicing strong optimism over prospects for 1959. The National Coal Association sees bituminous consumption rising more than 8%.

This Month's Industrial Wholesale Price Indexes

Item	Nov. 1958	Oct. 1958	Nov. 1957	% Yrly Change
Cotton Broadwoven Goods.....	94.4	94.1	96.4	- 2.1
Manmade Fiber Textiles.....	96.6	97.1	100.3	- 3.7
Leather	107.4	105.2	103.4	+ 3.9
Gasoline	95.0	96.4	99.2	- 4.2
Residual Fuel Oils.....	73.0	71.8	93.7	-22.1
Raw Stock Lubricating Oils.....	96.7	96.7	106.7	- 9.4
Inorganic Chemicals	102.0	101.9	100.7	+ 1.3
Organic Chemicals	99.2	99.3	100.1	- .9
Prepared Paint	103.3	103.3	103.2	+ .1
Tires & Tubes	102.5	102.5	103.2	- .7
Rubber Belts & Belting.....	99.4	99.4	99.1	+ .3
Lumber Millwork	101.4	101.4	99.5	+ 1.9
Paperboard	100.0	100.0	100.3	- .3
Paper Boxes & Shipping Containers	101.9	101.9	100.8	+ 1.1
Paper Office Supplies.....	101.2	101.2	101.2	0
Finished Steel Products.....	109.5	109.1	106.2	+ 3.1
Foundry & Forge Shop Products..	105.9	105.8	105.3	+ .6
Non Ferrous Mill Shapes.....	93.4	91.9	94.0	- .6
Wire & Cable.....	89.6	86.9	87.5	+ 2.4
Metal Containers	106.1	106.1	103.8	+ 2.2
Hand Tools	108.6	107.6	104.5	+ 3.9
Boilers, Tanks & Sheet Metal				
Products	99.2	98.9	99.3	- .1
Bolts, Nuts, etc.....	107.0	108.6	109.6	- 2.4
Power Driven Hand Tools.....	103.8	103.7	103.9	- .1
Small Cutting Tools.....	106.2	106.2	107.6	- 1.3
Precision Measuring Tools.....	106.1	106.1	106.1	0
Pumps & Compressors	107.7	105.0	104.0	+ 3.6
Industrial Furnaces & Ovens.....	112.4	112.4	111.3	+ 1.0
Industrial Material Handling				
Equipment	103.5	103.2	103.8	- .3
Industrial Scales	104.8	104.8	104.8	0
Fans & Blowers.....	104.0	103.2	103.0	+ 1.0
Office & Store Machines &				
Equipment	103.2	103.2	103.0	+ .2
Internal Combustion Engines.....	103.5	103.5	102.6	+ .9
Integrating & Measuring				
Instruments	112.7	112.7	108.2	+ 4.2
Motors & Generators.....	104.6	104.6	102.0	+ 2.5
Transformers & Power Regulators..	101.5	101.5	102.9	- 1.4
Switch Gear & Switchboard				
Equipment	104.7	104.7	104.1	+ .6
Arc Welding Equipment.....	105.0	105.0	101.4	+ 3.6
Incandescent Lamps	110.0	110.0	110.6	- .6
Motor Trucks	108.3	105.9	104.6	+ 3.5
Commercial Furniture	105.5	105.5	104.7	+ .8
Glass Containers	106.3	106.3	101.0	+ 5.2
Flat Glass	99.5	99.5	100.0	- .5
Concrete Products	102.3	102.3	100.9	+ 1.4
Structural Clay Products.....	105.1	105.0	103.0	+ 2.0
Gypsum Products	104.7	104.7	100.0	+ 4.7
Abrasive Grinding Wheels.....	100.3	100.3	99.7	+ .6
Industrial Valves	104.9	104.5	102.5	+ 2.3
Industrial Fittings	104.6	103.4	105.2	- .6
Anti-Friction Bearings &				
Components	93.6	93.6	101.4	- 7.7

P.A.'s to Match Wits with Computer That Already Has Right Answers

Test for Materials Management Knowledge to Be Part of A.M.A. Seminar Scheduled for Feb. 2-6

New York—Purchasing executives are going to get a chance to see where purchasing fits into the larger field of materials management. Next February an A.M.A. seminar will give P.A.'s an opportunity to match their training against a computer that already knows the right answers.

The first American Management Association session on materials management will bring together production control, purchasing, traffic, and sales managers. The week course is to be held at A.M.A.'s Saranac Lake academy Feb. 2-6.

The simulation exercise to be played on a computer at the February session was publicly unveiled in New York recently to the local chapter of the Institute of Management Sciences. Chapter members and participants in A.M.A.'s 3-week production control seminar, plus invited guests, made up nine teams. Results of operating the make-believe company were computed on a Remington Rand Univac.

At Saranac Lake, purchasing agents will play the exercise on an IBM 650 electronic computer twice during the week. Combining the major elements of materials management—purchasing, production scheduling, inventory management, distribution, and sales—the operation of the make-believe company will involve group decisions. Purchasing agents will be able to see what contribution they can make in running this paper company.

The February program is designed for manufacturing executives who are considering or beginning a materials management program. It is also for purchasing, production control, and others who may be responsible for any phase of materials management. Emphasis will be on how to set up a materials management program, avoiding the pitfalls but collecting the benefits.

P.A.'s playing the game will have a chance to try their hand at controlling inventory, buying for various market demands, and

handling transportation problems. As for those who played the game at the New York demonstration, penalties will be levied for each order for raw material, expediting, carrying high inventories, and ordering in small quantities. Company profits for each team require careful analysis of all factors, rewarding those

who can see the entire picture not just purchasing, inventory, or sale difficulties. Because profits were only on paper, most of the teams were able to recover from the first month losses the majority suffered in the first play.

Details of February's course at Saranac Lake will be announced within two or three weeks by A.M.A. Companies with successful materials management programs will furnish speakers to present case studies that illustrate the various aspects of materials management. Small group discussions during the week will allow all participants to become familiar with fundamentals of materials management.

Air Force Lifts Ban on Asphalt for Runways, Tells House Subcommittee It Will Amend Specs

Washington—The Air Force is about to go into the market for asphalt in fairly sizable quantities it was reported.

The asphalt industry has won a major victory in its long fight to break the Air Force ban on asphalt runways. Air Force officials who generally prefer concrete, told a House Armed Services Subcommittee they will amend their specifications. Asphalt construction will be reinstated for large interior portions of runways.

They hedged somewhat, how-

ever, with limitations that may make the new policy more palatable to the Strategic Air Command and others who insist on concrete pavements. The chief concession is a requirement that rigid concrete pavement must be used for a central strip 75 ft. wide that connects runway ends.

With this exception, the changed Air Force position meets the industry's contention that asphalt construction can fill every requirement for the entire middle portion of runways.

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INTERNATIONAL PAPER

SOUTHERN KRAFT DIVISION
NEW YORK 17, N. Y.



N. Y. Central Expands Piggyback Operations

New York—New York Central Railroad is expanding its piggyback freight operations.

The railroad announced it has ordered \$5 million worth of additional Flexi-Van equipment which the company said "reflects the enthusiastic acceptance of this new service which has resulted in a swift and dramatic growth in only seven months."

Central introduced Flexi-Van service between New York and Chicago last April and since has expanded it to Boston, Detroit, St. Louis, Albany, Syracuse, and Cleveland. The central's Flexi-Van system consists of vans which can be operated as highway semitrailers or carried without wheels aboard railroad flat cars. The railroad's Flexi-Van fleet with the additional equipment will consist of 250 flat cars and 750 vans.

Durfy, Model Railroader, Works As P.A. for Federal Reserve Bank

Howard A. Durfy is purchasing agent for the Seattle branch of the Federal Reserve Bank of San Francisco. But his off-hours are spent with the Puget Short Line Association.

This association is composed of Durfy and three other "model railroaders" in Seattle. They meet one night each each week, except in summer, to work at laying track, building mountains, or assembling locomotives or cars.

The latest project was a feature attraction at the recent annual meeting in Seattle of the Pacific Northwest Region of the Model Railroad Association. Crowds gathered to watch Northern Pacific Railway's old No. 1372, pre-World War I vintage, rumble realistically past a little "whistle-stop." Buildings included an old-time brewery, rooming-house, and general store. What really set the exhibit apart, however, was the recorded sound of the original locomotive coming from the model by means of a built-in sound track.

Not for Kids Alone

Purchasing agents who think that model railroading is only for kids haven't looked lately. The hobbyist just doesn't put together some track, hook up the cars to the locomotive, and pull the switch. Model railroaders are specialists. Durfy, for example, is what you might call a historical model railroader. He specializes in the period between 1900 and 1915. That means all his locomotives must be replicas of the steam-driven huffers and puffers that crawled over the Cascades and the Rockies in the period preceding World War I.

In a 12x14-ft. basement area of his Seattle home, Durfy is building a "pike" winding through mountains similar to those in western Washington. The pike sets up a hypothetical railroading situation. When completed, it will have an open-pit clay mining area near the summit, a town near the base, and interchange yards just outside the town.

Railroad Hobbyists Specialize

Durfy first became interested in model railroading in 1952 as a hobby he could enjoy with his family—Mrs. Durfy, two boys of 11 and 8, plus a six-year-old girl. He soon found out that there are many kinds of railroad hobbyists. Some just like to follow the operations of the real-life railroads as some people follow the activities of a baseball team. Others specialize in the construction of "pikes" while still others find their recreation simply in running their model railroads.

Durfy now has an investment of about \$500 in his model railroad and spends about \$50 a year in expanding and improving it. At first, he merely assembled his models, but now he virtually builds them from the wheels up, with craft kits which include plans for the desired cars and all the components. Durfy saws, cuts, and glues until the finished

model emerges, on the scale of 1/8-in. to one foot.

He saves his summers for "prototype practice," routing his family vacation trips to include some of the historical railroads of the area or to watch the operation of one of the few remaining steam engines. Things that he sees on these summer excursions find their way into his

pike. His railroad bridge, for example, is a copy of an unusual A-frame structure on the now-defunct Chehalis-Cowlitz-Cascade Railroad in southwest Washington.

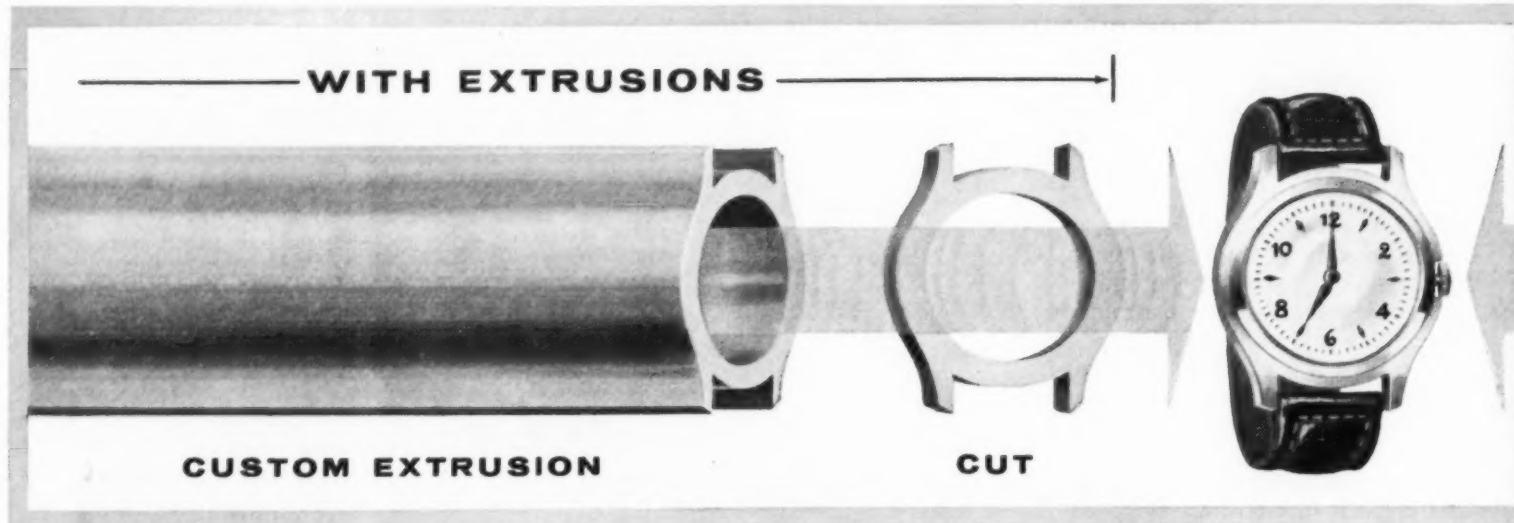
Durfy is such a railroad fan that he rides in them whenever he can. He gets as close to the freight end as possible and finds that real railroaders always are glad to shoot the breeze with a model railroader.

"For the man who wants a hobby he can enjoy with his family, you can't beat model railroading," says Durfy. "We can work on the pike together, operate the trains, and enjoy the thrills of historical railroading."



HOWARD A. DURFY of the Puget Short Line Association checks the coupling of car on model railroad in basement of Seattle home.

EVALUATING THE COPPER METALS #2



NEW METHODS SAVE MANUFACTURING TIME. Simplified flow chart shows processes

New methods make COPPER more economical to use:

There are many manufacturing cost elements that are making copper, brass and bronze increasingly economical to fabricate. These include reductions in manufacturing time, reductions in scrap, and resale value of the limited scrap produced.

Manufacturing Time Reduced

Machining time is frequently a more important factor in the end cost of a product than the cost of the material itself. The copper industry and the users of copper have developed many methods for reducing this cost.

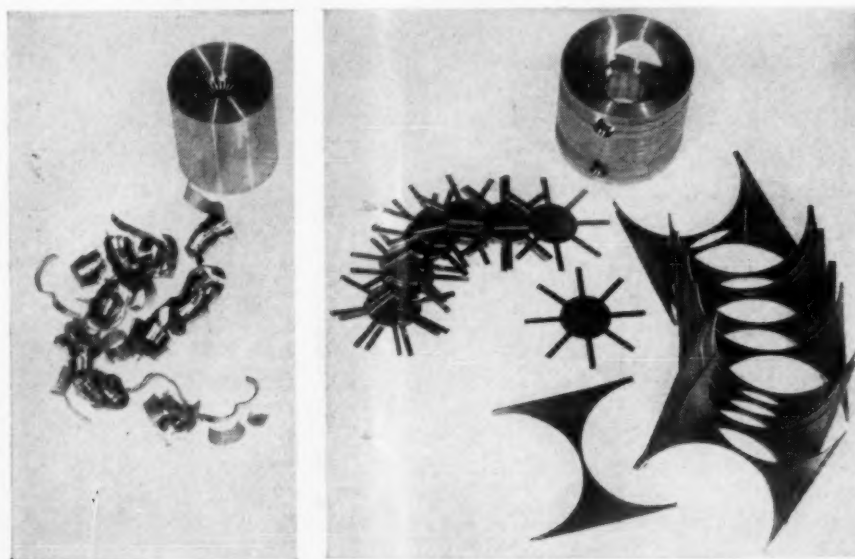
Custom extruding is among the most important of these methods. Extruded shapes are supplied by the brass mills to reduce the time and cost of machining by the customer

plant. For example, the watch case extrusion at the top of the page is supplied in lengths to the watch manufacturer who slices it to the desired thickness, ready for finish machining. These shapes would otherwise have to be formed out of solid brass bar stock at "considerably greater time and cost," according to the manufacturer.

Scrap Reduced

Many of these processes, including custom extruding, also reduce the amount of scrap generated. While copper and copper alloy scrap are readily salable at good prices, reduction of scrap still results in important savings.

The recently developed process of cored forging, for example, is a one-step operation for forming parts with intri-



BIG SCRAP SAVINGS are result of copper's unique forming properties. Magnetron cavity at left produced as a cored forging leaves very little scrap, as shown. Old method using stacked laminations, right, was far more wasteful.

Photo courtesy Raytheon Mfg. Co.

This Changing Purchasing Profession . . .

Beckman Instruments Advances H. E. Eastman

Fullerton, Calif.—Harlan E. Eastman has been advanced to the new post of purchasing administrator for Beckman Instruments, Inc. He will be responsible for coordinating purchasing activities for the company's six operating divisions and a subsidiary.

Eastman joined the firm in 1957 as purchasing agent for the

Helipot Division, after having served 13 years as manager of purchasing at Clary Corp., San Gabriel, Calif.

He is district chairman of value analysis-standardization for the National Association of Purchasing Agents and is a director of the Los Angeles Purchasing Agents Association.

Edward J. Martin has been appointed director of purchasing for the **Mele Mfg. Co., Inc.**, Utica, N. Y.

E. F. Andrews has joined **Allegheny Ludlum Steel Corp.**, Pittsburgh, as assistant to the vice president-purchases. He had been employed by the Pitman-Moore Co.

Major George W. Glew has been appointed chief of materiel, **Watervliet Arsenal, operations division**, Binghamton, N. Y. The last three years he served as ordnance supply officer and maintenance officer in the logistic command at Leghorn, Italy.

G. W. Aljian Named V.P. Calif. & Hawaiian Sugar

Crockett, Calif.—George W. Aljian has been elected vice president of California & Hawaiian Sugar Refining Corp. In his new post he will be responsible for purchasing, traffic and distribution, and planning and statistics functions.

He will also continue his administrative responsibilities in the packaging field and in the co-



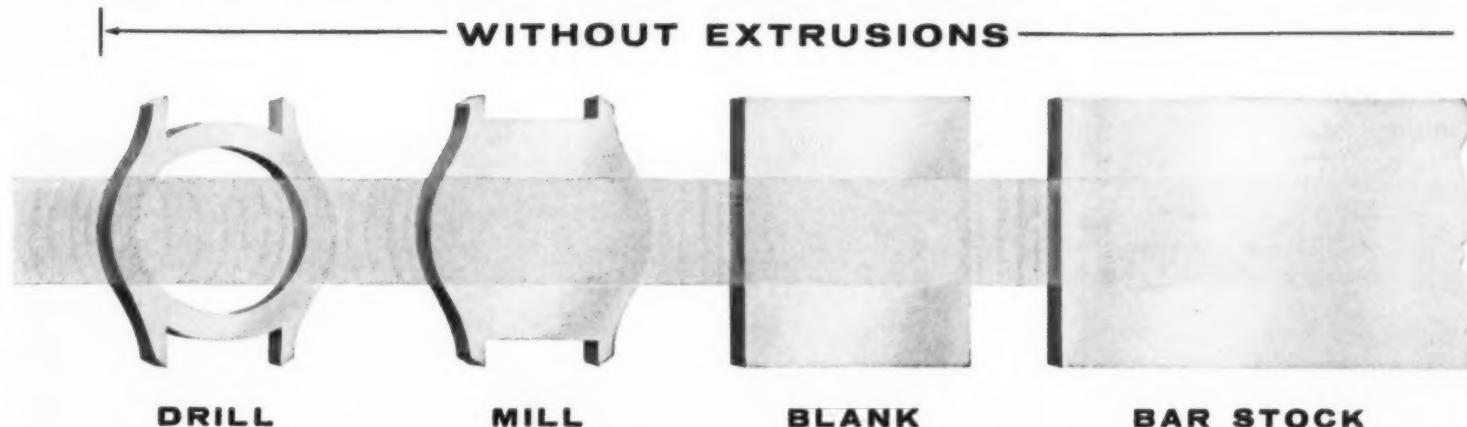
G. W. ALJIAN

ordination of the raw sugar quality research program.

Aljian, with the firm 39 years, came to the San Francisco headquarters as purchasing agent in 1933. He had been at the Crockett refinery where he had been supervising container investigation work. In 1945 he was made director of purchasing and packaging.

Active in purchasing affairs, he was president of the National Association of Purchasing Agents for 1946-47 and also was president of the Northern California Purchasing Agents Association. He is chairman of the N.A.P.A. organization planning committee.

Aljian was editor-in-chief of the recently published "Purchasing Handbook," McGraw-Hill Book Co. (P.W., Nov. 17, p. 19).



eliminated in manufacture of watch back by use of brass custom extrusions.

cate and accurate cavities. Machining and drilling are greatly reduced, and scrap is often only a small fraction of that generated by conventional processes.

The electronic part shown on the opposite page was produced in this fashion. The entire amount of scrap produced is shown next to it. On the right is the equivalent part produced by conventional methods. Because of accuracy specifications, it had to be formed from stamped sheet copper. The stampings were then stacked and furnace brazed. Note the tremendous amount of scrap involved. The manufacturer estimates total savings of 90 to 95 percent in time and materials.

Scrap Chargebacks

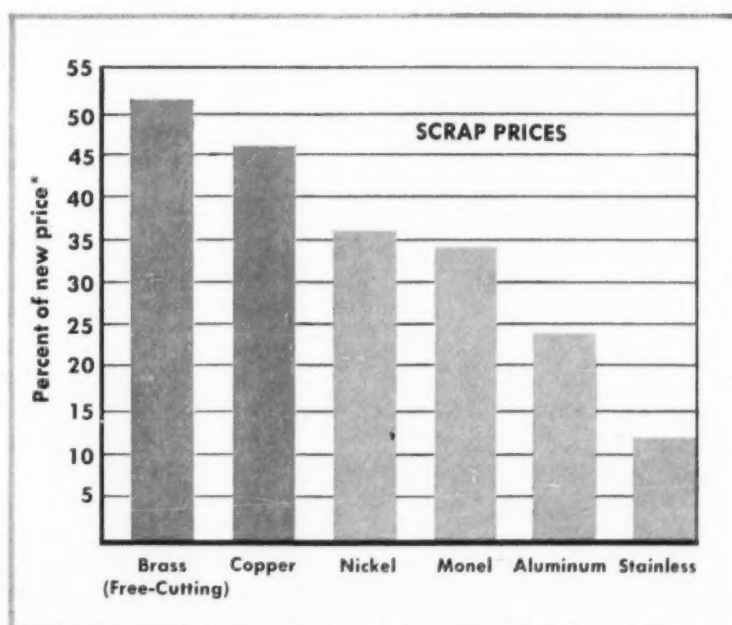
In spite of the continuing improvements in manufacturing efficiency, there will always be some scrap produced in the manufacture of parts from any metal. Here the copper metals offer another opportunity for manufacturing cost savings in the form of scrap charge-backs. The market for copper and copper alloy scrap is so good that 40 to 50 percent (or more) of the original cost of the metal scrapped can often be recouped. This ratio of scrap price to new price is higher for the copper metals than for any other common metal—even for those that cost more originally. Typical scrap vs. new price ratios are shown in the bar graph at the right. Notice that percentage-of-investment return for the copper and brass rod scrap is far above that for aluminum.

Other Factors Affect Copper Use

In addition to the cost reductions we have just examined, there are, of course, other factors encouraging the greater use of copper and copper alloys. The recognized design and production advantages of these versatile metals continue to become more important as design standards become more rigorous in the face of increased competition.

Copper supply is important, too. There was a time, right after the war, when people worried about copper's long-term availability. The facts are reassuring. New mines are always being developed. At the current rate of consumption, the free world presently has a conservatively-estimated 50-year reserve of copper. This does not take into account inevitable new discoveries.

All these factors are stimulating greater use of copper and the copper alloys. The Copper & Brass Research Association will be happy to supply you with additional data to help you re-evaluate these metals for your own purpose. Just write CABRA, 420 Lexington Avenue, New York 17, New York.



LESS DEPRECIATION when you use copper. The copper metals have the highest ratios of scrap-to-new prices of any of these machinable metals.

*Ratios derived from new prices for rod or bar, vs. scrap prices for rod turnings, as reported in published sources, 10/9/58. All figures are comparable.



E. J. McCLURE

E. J. McClure Advanced At Crown Cork & Seal

Philadelphia—Edward J. McClure has been appointed director of purchasing at Crown Cork & Seal Co., Inc.

McClure, who had recently been serving as acting director of purchasing, joined the firm in 1938 as a mail clerk. In 1939 he was transferred to the credit department. After a four-year military leave, he became Chicago assistant branch office manager in 1947 and later manager of special product sales and assistant machinery sales manager.

A Correction

The name of the newly appointed general manager for Kerotest Mfg. Co., Pittsburgh, was given incorrectly in our Dec. 1 issue. It is Edward Wrenshall. He is a former purchasing executive and his background includes ten years of service as director of purchases at Miller Printing Machinery Co. of Pittsburgh and one year as director of purchases at Kerotest.

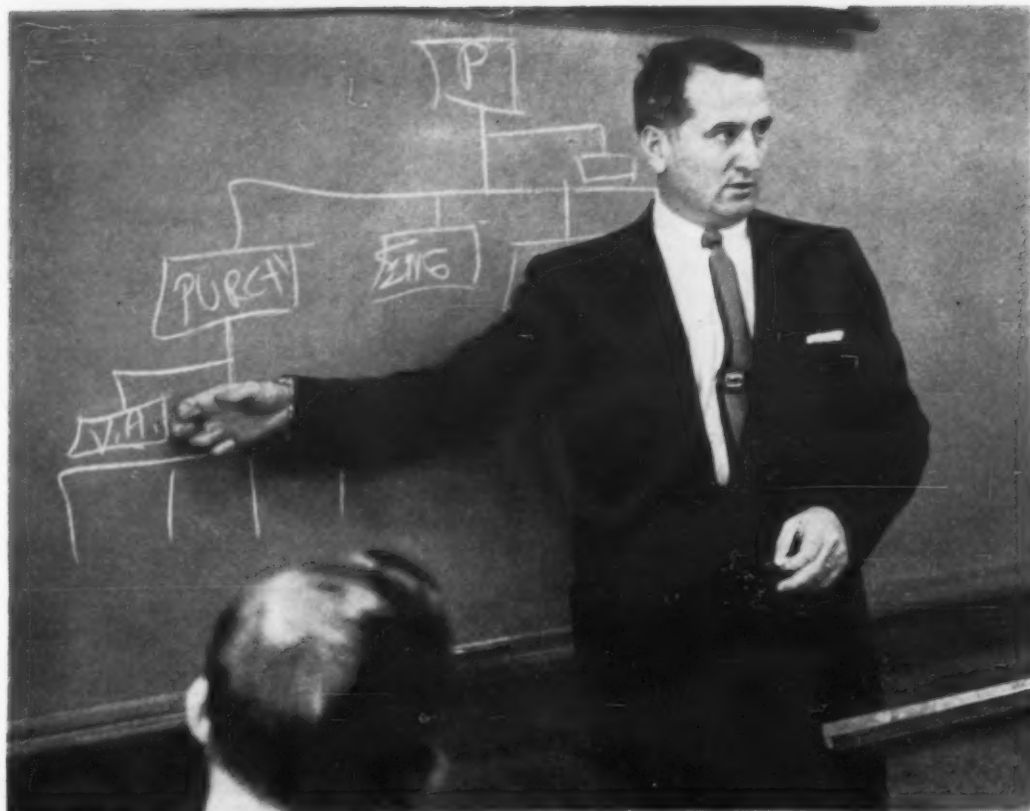
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The Value Of Purchasing Seminars

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- Your Fellow Students Are Other Top-flight Purchasing Men.
- Courses Give You Information You Can Use Immediately.
- Students Are Encouraged to Participate Actively.
- Field Trips Are Sometimes Scheduled to Give You Practical Training.

The pictures on this spread illustrate these points. They were taken by a PURCHASING WEEK staff editor at the seminar conducted recently at Michigan State University, East Lansing, Mich.



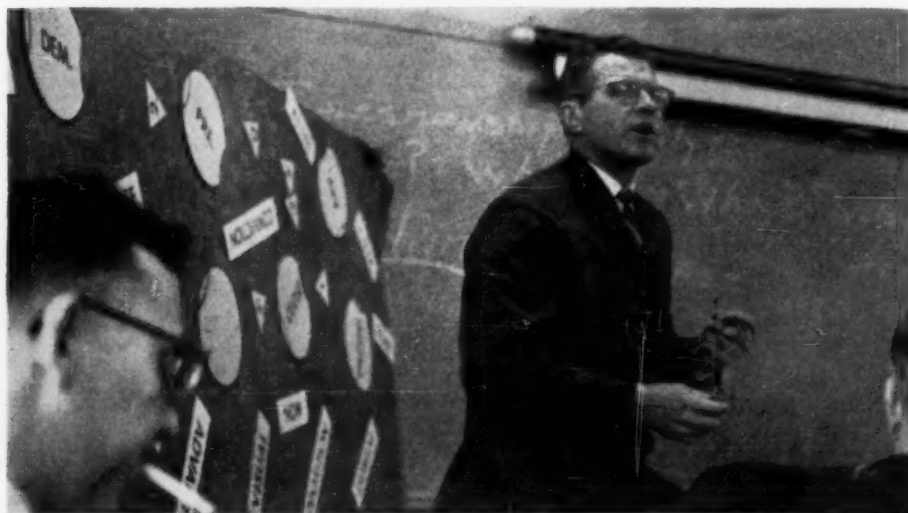
Director John Hoagland got speakers who knew purchasing.



LEGAL COMPLICATIONS and the answers to "When does title pass?" kept legal expert, Milt Goldberg, busy during his popular session. Participants had the opportunity to present their own problems at end of each formal session.



MARKETING SPECIALIST Tom Staudt quickly tied in purchasing's contribution in a marketing-oriented company. As an outside adviser to Arthur D. Little, management consultant, Staudt brought wealth of experience to discussions.



PROFESSIONAL SALES MANAGER Joe Thompson, also a Michigan State staffer, presented many of the 55 techniques salesmen are apt to spring on the unwary P.A. Participants rated this one of the most interesting sessions held.



LISTENING PARTICIPANT Frank Minton was typical of the experienced backgrounds represented. As procurement manager for the Richmond Engineering Co. in Virginia he was able to offer many tips on the buying of steel plate and pipe.



AS SPECIAL FEATURE OF SEMINAR Joe Burkheiser, Thompson Ramo Wooldridge, showed five other participants through his plant in Portland, Mich. Here he listens as Ed Kern of Utica Drop Forge questions method of handling reject shipments.



OFFERING SUGGESTIONS on how to buy overseas was Ken Shyvers of the Arabian American Oil Co. Before settling in the New York office of this Saudi Arabia operating company, he had acquired experience with many years of buying in Europe.



"\$10,000 WORTH OF FREE ADVICE" was one of the plus values Joe Burkheiser received from the group's visit. In both plant methods, above, and office procedures, below, Production Manager-Purchasing Agent Burkheiser was able to pick up a great many additional pointers from the purchasing agents who toured his plant.



PURCHASING UNDER TIGHTENED conditions was the experience Dave Richards shared with others. As purchasing agent for Micromatic Home Corp., Detroit, he could recount first hand the effect of the recession on the machine tool industry.



MANAGEMENT VIEWPOINTS other than those of purchasing were contributed by Harry Haley, left, who wears many hats. As vice president and treasurer of a Toledo wood products firm, he also lists purchasing under his responsibilities.



Purchasing Week

330 West 42nd St., New York 36, N. Y.

McGraw-Hill's National Newspaper of Purchasing

December 15, 1958

Print Order This Issue 26,556

Help Keep Politics Out of Purchasing

Within the next few weeks a host of new governors, mayors, councilmen, and other elected officials will take office. These were the men who last fall promised the voters that if elected they would institute or continue efficient, thrift government. No one, of course, can argue against the goal. It is one everyone of us would like to see achieved.

In cases where the same political party retained control, purchasing departments probably will not be affected. In the other cases, where the "outs" are moving into office, there is a strong likelihood that purchasing departments will be affected. The purchasing agent or procurement officer's post, unfortunately, is too often looked upon as a political plum. This is not to say that because a man has political connections he cannot be a good purchasing agent.

We recall a few months ago we ran into an objection when we assigned a correspondent to question the purchasing agent of a political subdivision.

"He's a political appointee, he won't know the answers to these questions," the correspondent complained.

However, two days later the same correspondent sent in a detailed report prefacing it with a note to the effect that the purchasing agent was a real purchasing man, a man who knew his business.

It would be nice to think that all political appointees to purchasing departments were equally as well qualified, but this is not so.

Some governmental purchasing departments spend only a small part of the tax dollar. Others spend a major share of it. Regardless of the percentage or the total dollar expenditures as a purchasing man you are affected doubly. Being a taxpayer, you are hit where it hurts the most—the pocketbook. As a purchasing executive, you are injured by association. If a governmental purchasing department is wasteful and inefficient, too often people place all purchasing departments in the same classification.

What can you do about it? Obviously, unless you are one of the elected officials who can make appointments or vote on appointments, there is nothing you can do in a direct way. However, modern politicians—and for the most part those were the ones who were elected last November—are sensitive to and respect sincere appraisals by taxpayers.

Why shouldn't you advise your newly elected mayor or governor that you expect the state, county, or city purchasing department to be run in the same efficient manner that a purchasing department in industry or business operates? If this means the purchasing department appointees of the previous administration should be retained, why not urge the newly elected official to do just that?

We are not saying that any man who has held a purchasing position in a political subdivision should be retained regardless of the job he has done. We are saying that politics has no place in purchasing. Just as in business and industry, purchasing in government can be a profit-making or dollar-saving operation. As a tax payer, you are interested in having dollars spent wisely.

Tell your newly elected official this. Enlist his aid in keeping politics out of purchasing.

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New Books for Purchasing Men

The Art of Leadership

Modular Management and Human Leader-

By Frank Pieper. Published by Methods Press, Box 4090 University Station, Minneapolis 14, Minn. 288 pages. Price: \$6.50.

As the buyer of a host of industrial materials, many purchasing executives forget that a vital part of their job is the management of their department. Only with a smoothly functioning and efficiently operating staff can you hope to do a top-notch purchasing job.

This book contains a new approach to on-the-job leadership. It's a direct "how to" and "what to" approach for on-the-job administration. Every form of contact with the people under you, from talking to writing and implied direction, is covered in an easy-to-read and terse way.

This book also can help you evaluate the operating efficiency of your department through its self-analysis methods of departmental organization. Planning work schedules, hiring assistants, evaluating group relations, and analyzing yourself as a group leader are all part of the necessary steps which this study discusses in helping you to improve the operations of your department.

If personnel operational difficulties are hamstringing your purchasing activity, this book may help you pave the way to better daily operations.

All About Fasteners

Fasteners Handbook. By Julius Soled. Published by Reinhold Publishing Corp., 430 Park Ave., New York 22, N. Y. 430 pages. Price: \$12.50.

This handbook's data, illustrations, and discussions of the currently available fasteners should help simplify the purchasing executive's task of selecting the best fastener for a given job.

Growth of the fastener industry has paralleled the growth of industry elsewhere. Its growth, however, has quite likely out-stripped recorded fastener information. "Fasteners Handbook" goes a long way toward filling this gap. It is a comprehensive coverage of fasteners and fastener problems.

Included are standard and proprietary fasteners from all manufacturers: special fasteners that increase structural safety and reliability, thread-cutting fasteners, self-locking fasteners.

Each fastener is discussed on a separate page. On the page is an illustration of the fastener and paragraphs headed: Description, Features, Uses, Standard Materials, Standard Sizes, Remarks, and Manufacturer. The information given for each proprietary fastener is accurate; it has been verified by the manufacturer. In addition, standard fasteners covered by the American Standards Association or other industry standards are illustrated and briefly described.

Supply and Demand

Supply and Demand. By Hubert Henderson. Published by The University of Chicago Press, Chicago 37, Ill. 142 pages. Price: \$2.25.

Many purchasing men have found it necessary during the past 10 years to acquaint themselves better with some

of the general principles and theories of modern economics. As the industrial and governmental aspects of production become more complex, your day to day decisions become more involved with factors outside of your own plant and office.

To meet such a need, "Supply and Demand" has been revised and republished to convey to the ordinary reader some conception of the general principles of thought which economists now apply to economic problems. It is a useful, simple, and authoritative statement of the economic factors that govern today's business economy.

This concise book carefully develops economic theory with particular regard to the concepts of utility and cost. The theory is then applied to the various factors of production including labor, capital, and the operating business enterprise.

The general law of supply and demand, the concepts of marginal cost and utility, and the operation of the businessman as a purchaser are all thoroughly analyzed in this excellent reference-type work on general economic theory.

Glass: Its Properties, Uses

Glass Engineering Handbook (Second Edition). By E. B. Shand. Published by McGraw-Hill Book Co., 330 W. 42nd St., New York 36, N. Y. 488 pages. Price: \$10.00.

This book covers the composition, manufacture, properties, and applications of glass as an engineering material. It gives practical data on the use of glass products in industry, research, and various fields of manufacturing including electron-tube manufacture, the nuclear field, guided missiles, and the automotive field.

As such it represents an excellent primer for the purchasing executive just getting involved in the buying of glass. For the more experienced, the book is also a first-class source of information on the many different kinds of glass.

In addition to coverage on the more commonly known glasses, there is information on such topics as photo-sensitive glass, glass-ceramics, electrically conducting glass, glass in electronic circuit components, glass-reinforced plastics, and others.

Also treated are such properties as radiation conductivity emissivity, and high energy radiation effects not yet completely treated in book form. Stress testing and strength determination, background information on the manufacture of glass, and a separate section of fibrous glass round out the book's coverage.

Letters Will Be Back

To give prominent display to these reviews of important books, "Your Follow-Up File" is being dropped this week.

Readers are invited to write letters on any subject you believe will interest purchasing executives. They should be sent to: "Your Follow-Up File," PURCHASING WEEK, 330 West 42nd St., New York 36, N. Y.

PURCHASING WEEK Asks You . . .

How can the purchasing department aid in a company's public relations program?



C. L. Laehr
Johnson's Wax Co., Racine, Wis.

"I believe every purchasing department employee is a very important public relations representative. No single department has as much direct, personal contact with outside representatives and, therefore, the opportunity to influence what they may say about your company. It follows that every buyer should strive to obtain a reputation for courtesy, integrity, fairness, etc., in every business contact he makes."

Andrew Ulven
Augsburg Publishing House, Minneapolis

"The purchasing department should be the company's promoter of good will and public relations. There is perhaps no one in the organization who is dealing more constantly and widely with the outside business world than the purchasing agent. He should be courteous but firm and forthright in all his dealings with sales representatives and other people he comes in contact with; his integrity must be beyond reproach at all times."

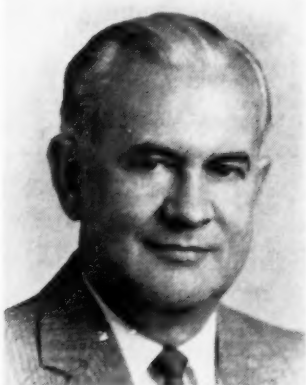
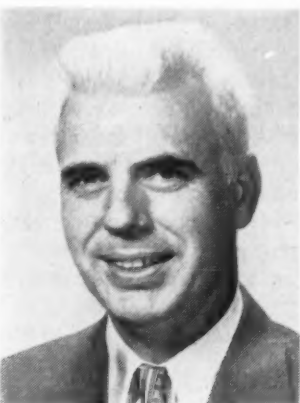


Loo Sau
American Factories, Honolulu

"A purchasing agent meets a good many people and he should, therefore, present a favorable image of his company as often, and to as many, as possible. His own good conduct, business ethics, fair decisions on purchasing problems, respect for his own company—all of these can aid the public relations program. In short, a purchasing agent should always be friendly, yet dignified, and make friends for his company."

T. C. Wooddell
Southwestern Industrial Electronics Co., Houston

"We know that it's a vital public relations function to have our company well regarded. If our department is a point of contact, it must also be a point of public relations. Every salesman and representative who comes in is treated as though he is a customer. Our staff goes to a lot of trouble to be consistently polite and courteous and we always have time to see every visitor."



M. B. Luginbill
The Ralph M. Parsons Co., Los Angeles

"The purchasing agent who conducts his business activities in a competent, honest, and courteous manner certainly contributes a great deal to his firm's public relations program. Suppliers are prone to communicate their impressions of purchasing departments to outsiders and, if these are favorable, the company obviously benefits. I know of no other endeavor that pays such large dividends in relation to the effort expended."

W. A. Barz
Calumet Division, Calumet & Hecla, Inc., Calumet, Mich.

"Primarily, by treating all vendors and other callers as we would wish to be treated. In a small town we must be doubly careful as to our actions; many of our vendors are also our neighbors. The climate we create in our dealings has a profound and immediate effect upon the feeling in the community toward our company. Our actions reflect what people believe to be the company policy."



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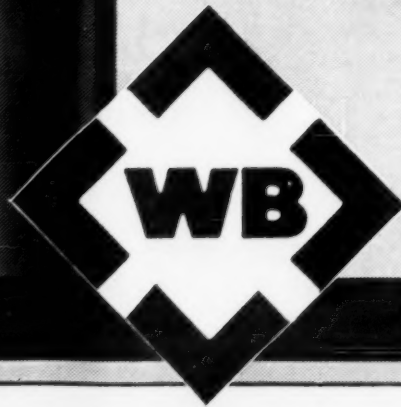
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*PVC Insulation
PVC Jacket*

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Purchasing Field Offers Many Opportunities

Chances to Advance Are Good; Salaries Fair But Promotions Make Positions Harder to Get

PURCHASING WEEK has checked with employment agencies, purchasing associations, employers, and purchasing men to uncover the employment situation in the field. Here are the findings:

- Purchasing is a good field. Men who are in the field, stay. Many, in other lines, who see purchasing in action in their companies want to get into purchasing—and often do. For these very reasons it is often more difficult for a purchasing man to locate quickly a satisfactory new position than for those in other fields.

- Employment agencies generally report relatively little placement activity in the purchasing field. But there are reasons for this condition as viewed by agencies. Aside from low job turnover and promotion-from-within, it should be noted that purchasing associations are active and effective in placing men. Also, a number of purchasing men, through strategic advantage of many outside contacts, locate positions through their own efforts.

- Purchasing men in most demand by employers are those with heavy administrative experience as top men with large companies, and with heavy experience and good technical background in a specialized field such as electronics. Between two men with equal credentials the job generally goes to the man with the better record of job stability. Family responsibilities are considered indicators of stability also.

Purchasing is not unique in that top administrative men and highly-trained specialists are in relatively high demand. This is true of all fields on a level with purchasing, such as engineering, accounting, traffic, and personnel management.

P.A. Job Market Quiescent

What is unique is the little employment market activity for average experienced general purchasing men compared with demand for their counterparts in other occupations.

James Pair, head of one of Atlanta's largest agencies, voices an observation typical of his colleagues (here concerning one comparable level position): "Requests for comptrollers outnumber those for purchasing positions by as much as 15 or 20 to one."

Several purchasing associations confirm views of agencies on the quiescent purchasing labor market.

The relatively inactive employment situation is not new or temporary. Says a director of a long-established agency, "Except for extreme boom times, or times of extremely high defense production, demand for purchasing agents and directors of purchasing is always very limited."

Within-Promotions Cut Jobs

The reasons for this dormant situation, as previously noted, are low job turnover and promotion-from-within to purchasing departments.

One evidence of low turnover is noted in a PURCHASING WEEK survey of purchasing men. Of 700-plus respondents, 52% were employed by their present companies over 10 years. These were not old men—78% were under 50.

Explaining low relative turnover one agency says, "This may be partly due to the fact there are actually fewer purchasing men in a company than accountants, personnel men, and such."

Probably nearer the heart of the matter is a statement by a Southern agency that low turnover is due to, "recognition by top company brass of the impor-

tance of purchasing personnel. He is a specialist in meeting the needs and problems of his particular firm. Thus it is to both his and industry's advantage that he not job-hop."

They Promote from Within

A check with individual companies supports views of agencies on the promotion-from-within nature of purchasing. Here is a sampling of expressions from individual company spokesmen:

DuPont: "Positions are normally filled from within the company."

A. O. Smith: "We promote personnel from within the department (purchasing) and then within the company."

Ford Motor Co.: "Vacancies in purchasing are filled from within the company except in very rare cases."

A survey of smaller companies (one to five buyers) bears out this promotion-from-within characteristic.

Also unique in purchasing employment is the high rating given to field experience, often in preference to purchasing experience. This is especially true in highly-technical industries. But one of the more active agencies in the East, placing general executives in industry, flatly rates field experience over purchasing experience.

How Agency Rates Experience

Qualified Agency, another of New York's leading advertisers of purchasing opportunities, and specialists in the electromechanical field, lists candidates for a given job as follows:

1. Both experience in purchasing and experience in field.
2. Experience in field but no purchasing experience.
3. Experience in purchasing but no experience in field.

On this same subject, the head of a general executive placement agency in the South states, "For those in manufacturing industries, the advice (to P.A.s) is learn everything possible about production. This can increase your stature with your present company. And should you make a change, it will have enough

carry-over value to increase your chance of bettering your position by the move."

For jobs requiring heavy administrative experience in procurement, purchasing experience generally rates above field experience, according to agencies. Also where considerable negotiations are involved purchasing experience generally rates above field experience, but technical field knowledge remains a requirement.

Experience Outweighs Education

Education, as an employment factor, is generally far outweighed by experience, either in purchasing or in the field. For most purchasing positions some college is preferred, but not necessarily a degree. However, a college degree is almost a requisite for top administrative jobs and for almost any purchasing position with the very large companies.

Subjects studied in college vary in importance as qualification for purchasing work. Generally, technical industries prefer engineering subjects. Less technical industries make no specific curriculum requirement. Here are comments by technical and general executive agencies:

Technical—"Electrical and mechanical engineering degrees are the most in demand by employers."

General—"Courses studied do not figure prominently in landing the job—just as long as there is some college."

General—"Generally speaking, some sort of college education is necessary for purchasing."

Personal qualities are considered very important by prospective employers of purchasing personnel. Employers give particular weight to three qualities: 1. ability to get along with others, 2. integrity, and 3. stability. These qualities are considered important for any level purchasing position whether job is technical or non-technical.

Other qualities receiving frequent mention by agencies are flexibility, sound judgment, initiative, and ability to make decisions. But employers, generally, recognize that such qualities can best be judged only when the man is put to the test in his new situation.

Integrity is an important quality in purchasing because of the responsibility of expenditure of company funds. One agency

2 Tips on Getting Another Purchasing Job

Here, from executive personnel specialists, are two valuable tips to P.A.'s looking for new employment or contemplating a change:

1. "If you put yourself in the hands of an employment agency, pick a good one. Here is how to judge an effective agency: Ask the interviewer what he knows about the firm (prospective employer), about its people, and its products. Ask how many people the agency has placed with that firm in recent months. If the interviewer backs down on these questions, chances are they operate on the principle of sending as many applicants to as many places as possible in the hope a few will be found suitable and they will be able to collect their fee. Find a different agency."

2. "If I were a P.A. looking for a job I would first sit down and ask myself these questions: Exactly what do I know? Which particular industries could best use my services? When I came up with the answers, I would prepare my resume. Then I would either find a reliable employment agency that would publicize my qualifications, or I would send my resume directly to the company for which I wanted to work. Send the resume not to the personnel department but to as high an executive in the company as I could. This man, preferably, would be the head man or whoever has charge of profit and losses. That would be the person qualified to determine what value I would be to his company."

states the point clearly in another way. "Always there are those who will attempt to 'buy' the purchasing man with favors and gifts. The P. A. must be a person of integrity who can be relied upon to make purchases solely on legitimate values."

Opportunities with Government

Salaries in federal government procurement currently start at \$4,080 (Grade T) and range up to \$17,500 basic pay (Grade 18). Most frequent grades for purchasing employment are 7 through 15—\$4,980 to \$12,770 basic pay. The examining division of Civil Service reports there are no current openings for purchasing personnel.

Requirements for Grade 7 positions are a college degree in business, law, accounting, or related field plus four years of field experience. Three of these years can be in general supply work, warehousing, inventory control, or purchasing. One additional year of specific experience in purchasing is required to fill a position in this grade. Written tests and interviews by department heads are part of screening for these jobs. As job grades go

up additional specialized experience is an added requirement.

Written tests for government procurement employment are usually of two parts: 1. general knowledge, and 2. specific (job) knowledge. Veterans receive a five-point preference on test scores; disabled vets, 10 points. In some cases tests are not required.

Salaries in the purchasing profession are fair and getting better. Actually the low salaries that do exist are due either to the laziness of the P.A. in developing his management skills or to his reluctance to press for more money.

A.M.A. Survey Reveals Salaries

In an American Management Association survey, based on reports from 3,800 companies (salaries paid in January 1957), the pay of a top P.A. in a durable goods manufacturing company with sales of around \$10-million, would range from \$10,000 to \$15,000 in 75% of the companies. Comparatively, in a company with sales around \$100-million the range would be \$15,000 to \$30,000.

According to E. G. Bradfield, Port of New York Authority

The Salary Picture in Private Industry and the Government

P. A. Earnings*

% Getting Annual Income
Less than \$5,000
2%
\$5,001 to \$7,500
30%
\$7,501 to \$10,000
31%
\$10,001 to \$15,000
26%
\$15,001 to \$20,000
6%
\$20,001 to \$25,000
3%
Over \$25,000
2%

*Source: P.W. Survey of purchasing men in private industry

Albert H. Hall, executive vice president, National Institute of Governmental Purchasing, says this on salaries in government procurement work:

"I regard the purchasing field as one of the most significant and vital of all government services. The public buyer is truly the 'sentry at the tax exit gate.' There is no economy in a poorly trained or paid sentry. If he is to do his important job well, he must have high professional qualifications, and he must be adequately paid."

"In public purchasing salaries generally have lagged behind what might reasonably be expected for such an important function."

An example of salaries in governmental purchasing as cited by Hall: "In 14 cities over 500,000 population (Jan. '58 study) the average salary of the purchasing agent is \$13,701. The lowest salary is \$8,500."

"In relation to amount of annual purchasing volume, in one city where the purchasing agent buys \$12 million worth of materials, supplies, and equipment, the monthly salary range is from \$913 to \$1,087."

"Even in studies based on volume of purchasing, there is widest possible variation in salaries."

I Am Searching for Another Position in Purchasing; My Experiences May Help You

Purchasing Agent or Assistant, B.B.A.,
10 years purchasing and purchasing ad-
ministration. Will relocate. PW-9184,
Purchasing Week.

This advertisement appeared recently in PURCHASING WEEK. I am the advertiser. Until the end of September, I had been an administrative assistant and buyer in the general purchasing department of one of the nation's leading nonferrous mining and refining companies. I resigned to take a job which didn't work out.

I have now been unemployed for three weeks. In many ways, I have a good number of advantages in my search. I am convenient to New York City, probably the best market for purchasing men. I am an executive of a purchasing association and I have what I feel is a good resume.

Note that I used the word market in relation to purchasing men. It is a market in every sense. The commodity for sale is talent, personality, ability, experience, etc. You are the salesman. I bring out this point as it is my impression that many men do not realize that they are selling a commodity—they, themselves and their services. Once this point is accepted, the task becomes simpler. Of course, you must know your commodity in order to sell it.

The market, itself, is a tough one. My first step in trying to find a job was to contact the better agencies. The agencies with whom you work should be selected carefully. It takes a visit or two to determine if it

is the type of agency that represents firms for which you would care to work. I try to get the agency man to talk so I can size up his attitude, what he really has to say. I'm also interested in the general physical layout and condition of the offices. Often, too, a good agency man can offer pointers on your resume, your sales talk, etc.

I also have been contacting vendors with whom I have done business, in each case being careful to leave a resume in the hope that they will pass it on. I am contacting firms that I have worked for, would like to work for, and those for whom I have ever seriously discussed working. These letters are extremely difficult to write. Personal contact is preferable but very time consuming. For all of these contacts, I use a typed resume as I feel that if nothing else attracts the prospective employer, that may.

I have started a mail campaign by geographical location. Picking a city in which I would like to locate, I write to the local Chamber of Commerce. These organizations usually will cooperate by sending lists of firms in their areas with some information concerning them. It is a simple matter to pick out prospective employers, send them a letter stating that you would like to locate in their area, and enclose a resume. For this purpose, I use an offset resume.

All of this sounds like a lot of work. It is. I would much rather work at almost anything than at trying to find a purchasing position in today's market. Much time is wasted following up leads supplied by well-

meaning people who feel they have to give you something to hope on so you won't become discouraged.

Another big time waster is the agency that doesn't have anything in your line, nor does it normally, but will "string you along" in the hope that it can place you in some kind—any kind—of a job. One tried to send me out on a bookkeeper's position at a small sectarian (not my religion) cemetery. Reputable agencies do not indulge in such activities as their reputations are more important than a few fees.

There are two other important sources that I am using for leads. One, of course, is the various directories of firms and industries. The classified phone book and your own purchasing association roster are not to be overlooked. I have found, however, that associations other than your own are not too helpful. They are looking for jobs for their own men.

The second source is the annual "Career". This publication contains a wealth of information on over 100 firms of the type that would employ purchasing personnel, complete with addresses. While it is intended primarily for college graduates, I find it an invaluable source of information and leads. Your college will supply a copy of "Career" free of charge, or your library may have it.

[We are pleased to report the P.A. who related his job-hunting experience in this article has now located and started on a satisfactory position in purchasing—Editor]

Manager of Classification and Salary Administration, these amounts are just about comparable to salary levels of the controllers' positions.

Bradfield presented these figures to a meeting of the New York P.A. Association in a talk entitled, "Pricing the P.A.'s Job." The salary analyst cautioned that with a wide range of particulars in the survey it was difficult to generalize amounts. Using report summary figures he went on:

"In larger companies the top purchasing executive probably employs from one to a dozen or more second level purchasing agents, responsible for various product categories. The median salary distribution for these runs from about \$7,800 to \$13,700. This range, like those of upper levels, eliminates extreme cases both below and over the stated amounts. This range is also comparable to similar structures shown for categories of plant industrial engineers, accounting executives, district sales executives, etc."

Bradfield noted the width or variance in the salary range areas is brought about by "the variance between company functions, organization patterns, the products purchased, and the method used to evaluate position relationships."

Purchasing Salaries Comparable

Further evidence of the comparable level of P.A. salaries is seen in a PURCHASING WEEK survey result measured against a Federal Reserve Board income report for all management personnel. (P.W. Oct. 20, p. 1). Here it is noted the median income for all management personnel is \$7,520; for purchasing executives, \$8,898. The more favorable showing by purchasing in these latter surveys as compared with A.M.A. survey is due to the use of a more extensive statistical base in the government report.

One trouble P.A.'s have salary wise is that they can't prove their worth to their managements.

Some have set up mechanical evaluating systems.

But the Institute of Internal Auditors, in a thorough study on auditing of purchasing performance, flatly states, "No mechanical measurement for evaluating purchasing performance has ever been devised." It notes also much study by highly competent people has been done on the subject.

As long as purchasing performance evaluation remains inadequate and varied by individual views, the salary pattern will be erratic. This erratic pattern will tend to underpay rather than overpay purchasing executives.

There is evidence that lack of management recognition, due to inadequate performance measurement, has given many P.A.'s inferiority complexes in salary matters. Certainly, underselling themselves is a striking P.A. fault.

One agency recently ran an ad for a \$10,000-\$12,000 purchasing position in which the salary was described as 'open.' Many of the applicants, when told of the nature of the job and what it entailed, (but not knowing what it paid), insisted the job should pay no less than \$500 a month!

As one job-hunter told PURCHASING WEEK, "P.A.'s should realize the job market is a commodity market. Companies are making as good buys as possible of human talent and experience." One agency commented (P.W. April 28, p. 1) most companies feel "if you can buy a man for \$2,000 to \$3,000 a year less than he's been getting, why not?"

Another reason for apparent relative under-pay in purchasing goes back to "specific company value." Unlike an engineer, who brings the training of a recognized formal discipline to any job, the P.A., even experienced, must 'build-up' to maximum value in a particular company. This often results in lower starting salary for a P.A. making a change to a new company. Also, more time on the job is necessary to achieve maximum value and a corresponding salary.

According to some employers a purchasing man must build up swiftly in company value and resultant high salary. Many companies, notably larger ones, consider the age-salary ratio an important element in hiring a man for a high-paying job, or a job with high salary potential. Says one agency specializing in hiring for the very-large companies, "We always compare the man's present salary with his age. A man over 40 who isn't making at least \$8,000 isn't a very good bet."

"Carrying this system further, a man who is 29-35 should be making \$7-8,000 to be a good purchasing prospect for a big company."

Who Gets Best Salaries

From data gathered for this report three types of purchasing men generally command the best salaries:

1. Men who have had progressive responsibility in purchasing administration with emphasis on personnel supervision.
2. Those with heavy technical background in a specific industry or with long buying experience in a technical industry.
3. Those with progressively responsible buying experience in companies where there exists a high ratio of material costs to sales income.

Supplementing the above points, high wages go to the man who has stayed with companies for a good length of time.

Perhaps the best proof that purchasing salaries are not too low is the number of men in the field who have transferred from other departments. An advertising survey shows that 54% of purchasing men have transferred from other departments. If they did not think that they were bettering themselves, would they have transferred?

Advancement opportunities in purchasing are increasing. More vice presidents in purchasing are appearing on company organization charts. Examples of these

are Chester Ogden, Detroit Edison Co.; David Gibson, Worthington Corp.; and Milt Morgan, A. O. Smith Corp. A check of back files of PURCHASING WEEK shows that many others have made such advancement.

Other evidence of purchasing line advancement is seen in the recent inclusion by the American Management Association of purchasing men in its "top management" surveys. Previously purchasing as a field was included only in the "middle management" category.

Also top management is increasingly insistent that purchasing report to it directly. This view was reflected by Allan M. Ziegler, vice president, Rome Cable Co., in the Nov. 3 issue of PURCHASING WEEK (p.14). "The P.A.," he asserted, "should report directly to the general manager or president."

Advancement opportunities in purchasing appear then to be real and growing. What is needed to realize these opportunities?

Based on evidence from employment agencies, industrial psychologists, and employers, it appears that advancement (in present company or change to a better job) requires: favorable personality factors, field knowledge, and job knowledge—in that order.

A good personality is supposed to be one of the requirements for almost any job requiring personal contact. Unfortunately no one seems to know what is a good personality. A person may have a good personality to one person and a repelling one to another.

Psychologists say the "right" (notice they do not say "good") personality can be developed as well as field and job knowledge are acquired. Continuing self-appraisal in all personal contacts and a desire to improve personality are cited as means to the "right" personality.

Agencies favor the "contact-type" personality because they say this is what employers are

seeking in the men they employ.

Actually the personality factor is not much more important than having hair or good eyesight. Generally a man who can hold down a P.A.'s job for five years or more has a good personality. Otherwise he would seldom keep his job.

Field knowledge entails individual effort to know all there is to know about company and industry operations, products, and problems. Agencies stress this knowledge requirement. There is some sense to this. A man who has been buying for a candy firm for 20 years has acquired little knowledge that will help him with electronic controls for rockets. But on the other hand such a man is not likely to try to advance himself in a field so far removed from his present one.

When it comes to job skills, the P.A.'s have them. If they didn't, they wouldn't remain in their jobs so long.

But the big opportunities for purchasing agents lie in the field of management either with their own or other companies. Statistics and experts show these opportunities do exist.

Management Personnel Needed

Bureau of Labor statistics for the next ten years show a large and growing need for management personnel. (P.W., March 24, p. 8). As heavy as is the current demand for engineers, B.L.S. figures show industry in the next ten years will need more management men than engineers.

Demand for management personnel is already here according to some experts. Management consultant Admiral Edward K. Walker (ret.) has stated even in the recent recession employer demand for "really good executives" was on the upswing. His own firm, Executive Manpower Corporation, had a 50% increase in the first quarter of this year compared to last year.

According to experts, some of the more significant reasons for
(Continued on page 14)

Purchasing Offers Opportunities

(Continued from page 13)
increase in demand for top executives are expansion of industry, trend to decentralization, and trend to retirement at 65.

This last trend points up a particular advantage for purchasing men. A psychologist has stated the ideal age curve "would be bell-shaped, with relatively few men at lower age levels (below 30), and a few at the upper age levels (about 60). Ideally, the great bulk should be between 40 and 50.

"Actually, the age curve in many companies today is U-shaped, exactly opposite of what it should be."

This points to opportunities for men who are now 30 to 45. A PURCHASING WEEK survey shows 78% of purchasing men to be under 51. This is probably closely representative of the field.

Executives of companies contacted by PURCHASING WEEK all agreed that purchasing experience is excellent training for management positions. Typical of comments made by these men are the following:

Good Training for Top Jobs

"Yes, definitely, purchasing is good training for top jobs. Purchasing demands patience, thoroughness, meeting and dealing with all types of personalities, and making a wide variety of decisions."

"In handling purchase orders and investigating vendors, the alert P.A. is enabled to observe management theories in hundreds of companies. In this way he can analyze the reasons why the successful contractors are successful and vice versa."

Opportunities for advancement to top management are available to purchasing men. They are in a position to capitalize on these opportunities. What then is needed by purchasing men to advance? To get answers to this question PURCHASING WEEK went to the men who should know best—top executives who have had experience in purchasing. Their answer: breadth of view and knowledge.

To Move Up, P.A.'s Lack?

When the question was asked, "What do purchasing people 'lack' in order to move up?" Their answers were strikingly similar. Here are their views on the question:

"It is my observation that purchasing men tend to be somewhat narrow in viewpoint, often unwilling to embrace new ways of doing things and new philosophies. Purchasing agents should strive to acquire the reputation of having company-wide interest and viewpoint and of being open-minded." E. B. Hartley, vice president, traffic, Railway Express Agency.

See Too Narrow a Picture

"They look too closely to the scope of purchasing and don't fit it into broader picture. The 'selfishness' or 'prerogative' attitude . . . is their lack." Howard S. McCray, board chairman and chief executive officer, Texas-Zinc Minerals Corp.

"Purchasing agents must divorce themselves from detail so that they are 'available' when the opportunity is at hand. Too often the P.A. has not done a 'good job of delegating' and is burdened

with routine and detail that an assistant or buyer should handle." Norman H. Reese, vice president and general manager, Bell & Howell, Phillipsburg, Pa.

Chief lack is . . . "Probably a myopic viewpoint which looks at purchasing as an end in itself rather than an important segment of the over-all company activity. Recognition of the importance of this overall team participation would frequently change decisions which are made if only the purchasing viewpoint is considered." J. V. Naish, President, Convair.

Air Force 'Make-or-Buy' Contract Clause Being Put into Effect

Washington—The Air Force is in the process of putting its controversial "make-or-buy" contract policy clause into effect.

The new contract clause, aimed at tightening control over the amount of subcontracting on prime contracts, has been approved and is being circulated to procurement offices for action.

Pentagon procurement officials are discussing the possibility that other services also will adopt the same procedure.

Under the make-or-buy requirement when Air Force contracts are first written, they must include a make-or-buy list show-

ing what components will be made by the prime contractor and which will be subcontracted. The Air Force must approve before list changes can be made.

A make-or-buy decision is required:

- If production of the item by prime contractor creates a need for more government facilities.

- If the in-plant work proposed by the prime is significantly different from in-plant operation.

- If the item has been subcontracted and the prime wants to pull it back into his own plant using government facilities.

- When other considerations

of management indicate a need.

When make-or-buy decisions are made, the Air Force will pull in its resources personnel, field production, and small business specialists. The idea is to insure that full consideration is given to all available industrial capacity, including small business facilities.

Not all Air Force contracts must carry make-or-buy clauses. Exempt are formal advertised procurement contracts, fixed price contracts under some conditions, some R & D contracts, and most contracts for less than \$350,000.

O-B VALVES

New O-B regrinding swing check valves ONCE IN...THEY STAY IN

There is no need to replace a swing check valve every time the closing surfaces become worn. This new O-B valve can be re-ground right on the line...your service is interrupted for just a matter of minutes. The "Y" design makes it easy to do the regrinding...or to get to the disc when it needs changing.

Free-swinging action of the hanger assembly permits the disc to clear the entire port under pressure and to close tight at the slightest back pressure. Because two

side plugs, instead of the usual one, are provided, the hanger pin and assembly can be removed even when the valve is mounted close to an obstruction.

O-B Regrinding Swing Check valves are available in sizes from 1/4 through 3 inches for 150 lbs. WSP—300 lbs. WOG and 200 lbs. WSP—400 lbs. WOG.

Ask your local Ohio Brass distributor about the broad line of O-B check, gate, globe and angle bronze valves for industrial applications.

OHIO BRASS COMPANY
380 North Main Street, Mansfield, Ohio



Foreign Perspective

DEC. 15-21

London—All signs point to continued stability in British manufactured goods tags.

That's a major point made in a report on Britain's Economic Outlook, just published by the Organization for European Economic Cooperation.

Experts of this body admit that recent stability in British prices has been due greatly to lower world prices for commodities.

But they make this significant point, too: A large part of the hike in Britain's retail price index since World War II has followed from progressive removal of price controls and rationing, and subsidy cuts.

However, that process now is virtually finished. So you can reckon that prices will rise less in the future than in the past.

Tokyo—New trade agreement signed in Moscow will mean a step-up in Russo-Japanese trade.

It calls for \$35 million in trade each way in 1959.

Russians originally wanted \$50 million worth of Japanese machinery, electronics, optical goods and chemical plants for developing Siberia.

But Japanese shied away from the larger figure because they feel it's too hard to determine what Russians have to offer.

Agreement marks still another Far-Eastern country where Red economic infiltration is making itself felt.

Experts here look for further deals next year if current agreement works out as expected.

Montevideo—Change in political control from socialist-minded "Colorado" party to conservatives isn't expected to solve this little country's economic problems.

The new government faces a severe inflationary threat. As recently as one year ago, 4.50 Uruguayan pesos bought one dollar. Ten months later it took 11.50 pesos to buy the same dollar. At one time the Uruguayan peso sagged as much as 14 to the dollar.

Major cause: National budget expenditure has exceeded income in every year since 1950.

Foreign trade is still another problem. Over the last ten years, Uruguay has accumulated a foreign trade deficit of \$133 million. For 1957 alone it reached \$98 million, forcing the government to suspend many imports.

Hong Kong—Red China's continued economic gains could mean additional Communist threats to world business markets.

Latest emphasis is on steel production.

The "Peoples Republic" intends to increase steel production to 10.7 million tons this year, compared to 5.4 million tons in 1957.

If this goal is reached, Red China would exceed last year's Japanese steel production of 9.1 million tons. That would make her Asia's leading producer and a major influence in Far-East metal markets.



"EVERYTHING HINGES ON HAGER!"

We'll make **IT** for you! For standard (5,000 different types and sizes) or special hinges, write or wire: C. Hager & Sons Hinge Mfg. Co., 1339 Victor Street, St. Louis 4, Mo.

In Canada, Hager Hinge Canada Ltd., Kitchener, Ont.

HAGER HINGES

Founded 1849, Every Hager Hinge Swings on 100 Years of Experience

U.S. Increases Buys Of Japanese Titanium

Tokyo—United States industrial buyers are increasing purchases of Japanese titanium sponge. Japan says its low cost refinery process is a big factor.

Japanese titanium manufacturers received orders totaling 240 tons of titanium sponge last month, a big increase over what they were receiving only a few months ago.

Japanese exports, limited to from 10 to 20 tons a month until last summer, jumped to 110 tons in September and more than doubled again in November. Japanese industrial sources claimed their sponge is selling so well because:

- Their refinery technique is superior (\$1.30 a lb. f.o.b. Japan compared to \$1.82 in the U. S.).
- Better over-all quality of Japanese titanium sponge.
- Plentiful raw material.
- Apparent revival of the use of sponge by U. S. aviation industry.

With two Japanese firms, Osaka Titanium and Toho Titanium, producing 40 tons a month, output is due to be increased to meet the American demand.

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West German Production Of Plastics Up Over '57

Bonn, Germany—West German plastics production this year probably will hit 630,000 tons compared to 561,000 tons in 1957. This again will make West Germany the next largest plastics producer after the United States.

The Association of German Chemical Industry reports that German plastics production during the first nine months of 1958 accounted for 469,000 tons, a 13.5% increase over the corresponding period of last year.

Price Cartel for Plastic Goal of Japanese Group

Tokyo—Formation of a price cartel for vinyl chloride is the goal of the Japan Vinyl Chloride Association. Members feel a cartel is the only way to eliminate cut-throat business.

Japanese vinyl chloride producers last month were granted the right to organize a production and shipment cartel, but their bid for a price cartel was rejected by the Japanese Fair Trade Commission.

Production and shipment cartels would not effectively stabilize the market, the association claims.

Vinyl chloride production dipped from 13,000 tons in August to 7,000 tons in October.

British Machine Tools Ordered by Red China

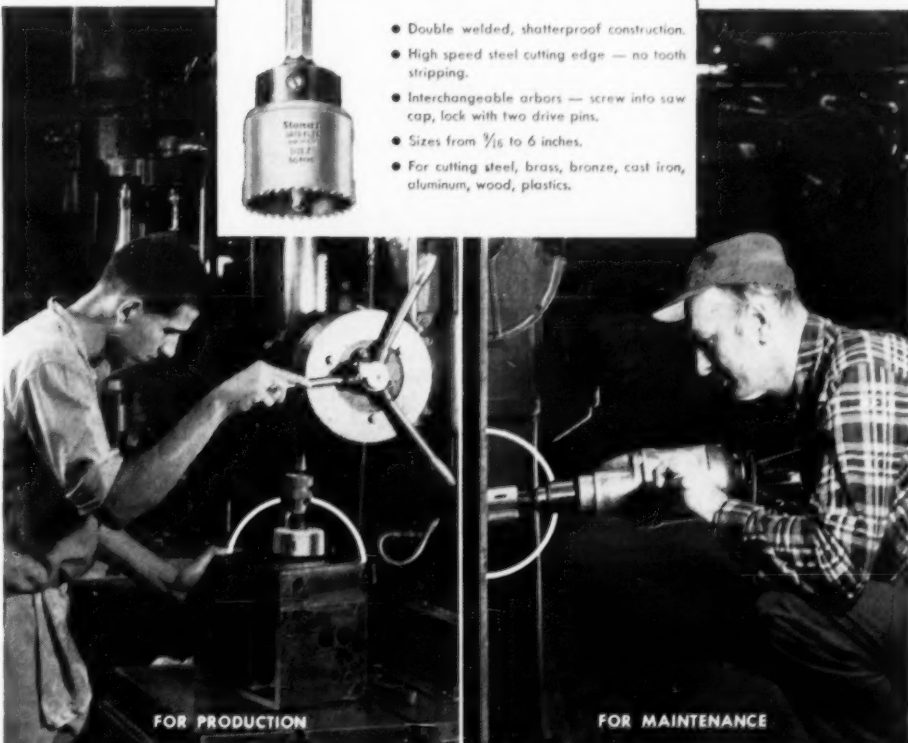
London—Communist China has ordered more than \$3 million worth of machine tools from two British companies. These are the first major contracts received from China since Britain relaxed its trade embargo list last August, according to the Machine Tool Trades' Association.

Asquith Machine Tool Corp. will supply big horizontal milling and boring machines worth about \$1.7 million, and the David Brown Group turbine gear hobbing machines, measuring instruments and gear cutters valued at about \$1.5 million.

Stable Prices Needed

Montreal—A leading Canadian bank says stable prices should be one of Canada's major economic aims. Speaking at the Bank of Montreal's annual meeting last week, the institution's president, Gordon R. Ball, predicted that with the present rate of price advances, the Canadian dollar's purchasing power will be halved within two years.

STARRETT PRECISION MAKES GOOD PRODUCTS BETTER



- Double welded, shatterproof construction.
- High speed steel cutting edge — no tooth stripping.
- Interchangeable arbors — screw into saw cap, lock with two drive pins.
- Sizes from 1/8" to 6" inches.
- For cutting steel, brass, bronze, cast iron, aluminum, wood, plastics.

STARRETT SAFE-FLEX[®] HIGH SPEED WELDED EDGE HOLE SAWS

Quickest, safest way to cut clean, round holes

Simplest, quickest way to cut holes in any machinable material... double welded to combine a high speed steel cutting edge, an extra tough shatterproof body and a rigid steel cap... a completely safe, virtually unbreakable heavy duty hole saw that will handle high production cutting or the toughest maintenance jobs.

Starrett SAFE-FLEX High Speed Welded Edge Hole Saws are available in sizes from 1/8" through 6" diameter. Interchangeable arbors accommodate a wide range of saw sizes; come with 1/4" pilot drill and 1/8" or 1/4" hexagon shank or 1/4" round shank; can be used with portable power tools, lathes, drill presses, radial drills, other machine tools.

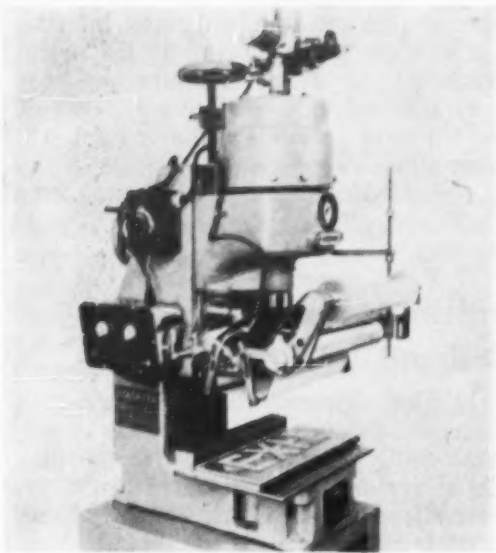
Your nearby Industrial Supply Distributor has Starrett SAFE-FLEX Hole Saws... can also supply Starrett Production Proved Hacksaws, Band Saws and Band Knives from his complete stock. Call him for quality products, dependable service... or write for Starrett Saw Catalog. Address Dept. PW, The L. S. Starrett Company, Athol, Massachusetts, U. S. A.

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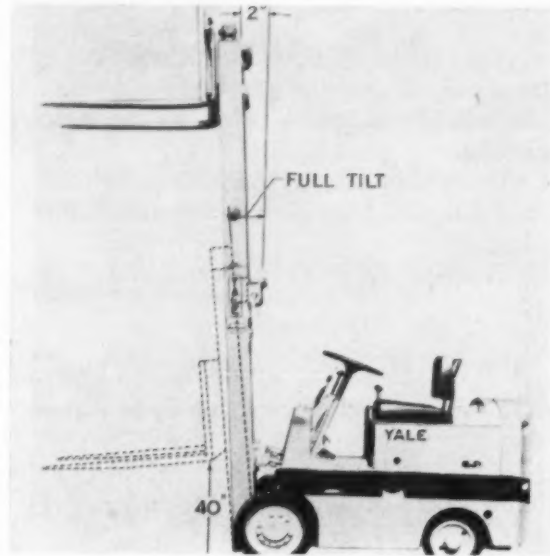
Hot Stamping Head

For Multi-Purpose Press Use

Acroleaf Model 250H-12 hot stamping head extends the capacity of Model 250H Acroleaf press. The head is interchangeable with the standard models and provides an increased stamping area of up to 12 in. length and 2½ in. width. A scrap roll-leaf rewind is provided to keep the work area clear and to eliminate down time taken to chop used foil.

Price: \$658 (head complete with foil advance which rolls leaf 13 in. wide); \$1,130 (Press including head). Delivery: 1 to 2 wk.

Acromark Co., 361 Morrell St., Elizabeth, N. J. (P.W., 12/15/58)



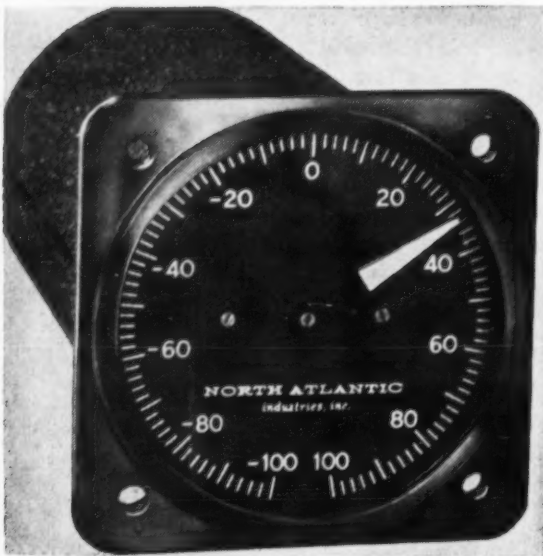
Tilt Restriction Device

Adds Safety to Fork Truck

Automatic tilt restriction device can be applied to both gasoline and electric powered industrial lift trucks. Device makes it impossible to tilt the load forward farther than the prescribed limit in the raised position. At the same time, it permits full forward tilt of load close to ground where no safety hazard exists.

Price: \$50 (plus standard truck price). Delivery: 3 to 4 wk.

Yale & Towne Mfg. Co., 11,000 Roosevelt Blvd., Philadelphia 15, Pa. (P.W., 12/15/58)



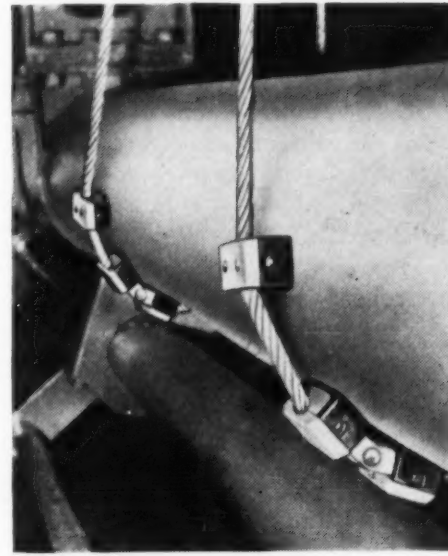
Servo Indicators

Self Balancing

Miniature high performance self-balancing servo indicators provide remote visual and electrical read-out for temperatures, pressures, position, strain, rpm., etc. Model SBI-201 has standard accuracy of $\pm 0.5\%$ and full-scale response time less than 0.2 sec. Accuracy as high as $\pm 0.03\%$ can be provided.

Price: from \$950. Delivery: 60 to 75 days (standard units).

North Atlantic Industries, Inc., 603 Main St., Westbury, N. Y. (P.W., 12/15/58)



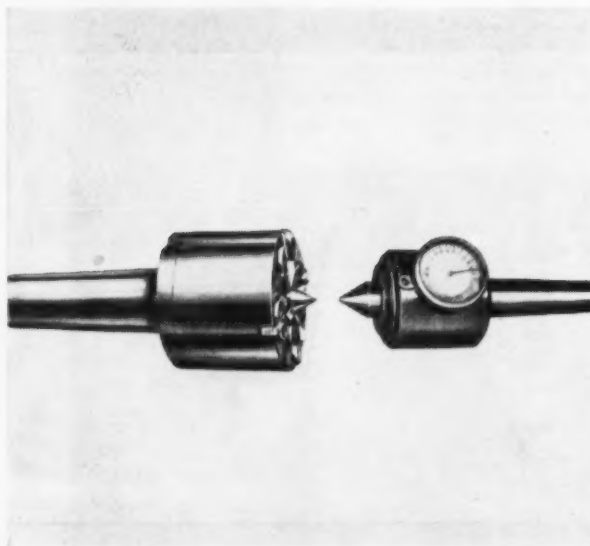
Protective Pads

Cut Hoisting Damage

Sela protective pads are for use on wire rope slings when lifting heavy machines and parts by crane. Sela pads are mounted on the rope and may be slid by hand along the rope to points where the sliding wire rope would scratch or damage the load. Protective pads are made of aluminum alloy with a rubber lining facing the surface of the load. Standard types are for use on straight or curved surfaces and Sela angles on sharp edges.

Price: from \$4 (standard type), from \$8.40 (Sela angles). Delivery: immediate.

Columbia Technical Corp., 61-02 31st. Ave., Woodside 77, N. Y. (P.W., 12/15/58)



Live Center

Has Built-In Pressure Gage

Combination of driving center and live center provides effective method of holding material between centers for turning and grinding. Driving center has hydraulically controlled driving pins. Live center's built-in gage prevents overloading.

Price: \$300 (driving), \$439 (live). Delivery: immediate.

R. B. Tool Co., Inc., 17 Roff Ave., Palisades Park, N. J. (P.W., 12/15/58)



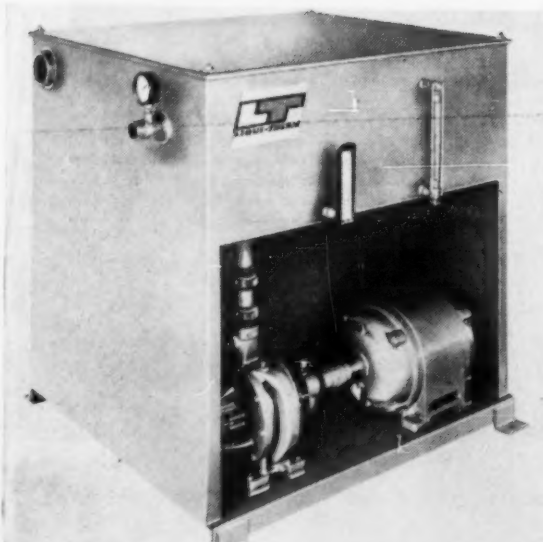
Wrench Chuck

Converts Impact Wrench to Drill

Impact wrench chuck has the ruggedness to withstand the shock created by impact power tools. At the same time it will operate accurately and with minimum care. All that is needed to make an impact wrench into an effective drilling tool is a chuck to hold the drill. Impact wrench chuck fits all ½ in. sq. drive tools and holds ¼ to ½ in. drills. It has a keyless gripping action.

Price: \$8.80. Delivery: immediate from industrial distributors.

Supreme Products Corp., 2222 South Calumet Ave., Chicago 16, Ill. (P.W., 12/15/58)



Boiler Return System

Features Compact Efficiency

Packaged boiler return systems have all gages, valves, vent and return openings, even pump piping in place, ready to pipe. Systems are available for operation with boilers from 10 through 100 hp., and pressures up to 200 lb. Three receiver sizes are offered: 50, 80, and 130 gal. tank capacities. Units have turbine-type or centrifugal pump.

Price: \$200 to \$800. Delivery: from immediate to 2 wk.

Liqui-Therm Products, Inc., 3220 North 126th St., Brookfield, Wis. (P.W., 12/15/58)



Servoscope

Weights 30 Lb.

Model H Servoscope is for analysis of servo systems. Servoscope facilitates fast, accurate plotting of Nyquist, Bode, or Nichols diagrams. Direct reading of amplitude and frequency and direct read-out of phase lag simplify operation. Frequency accuracy is $\pm 5\%$ of setting.

Price: \$1,785. Delivery: 60 days.

Servo Corp. of America, 20-20 Jericho Tpk., New Hyde Park, N. Y. (P.W., 12/15/58)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



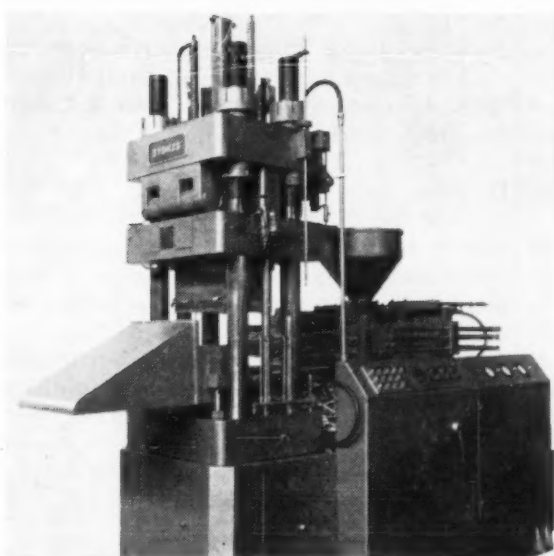
Socket Head Cap Screw

High Load-Carrying Capacity

Pre-Lode socket head cap screws are designed to eliminate indentation while utilizing and maintaining full holding power under highest tensile load. Pre-Lode fasteners with their increased bearing area under the head, distribute the load uniformly, prevent sapping of the tightening force used in preloading, function in holes having a greater body clearance and have a long working life. Standard sizes are from 1/4 to 1 in.

Price: \$4.64 per hundred (for 10,000) 1/4-18. Delivery: immediate.

Parker-Kalon Division, General American Transportation Corp., Clifton, N. J. (P.W., 12/15/58)



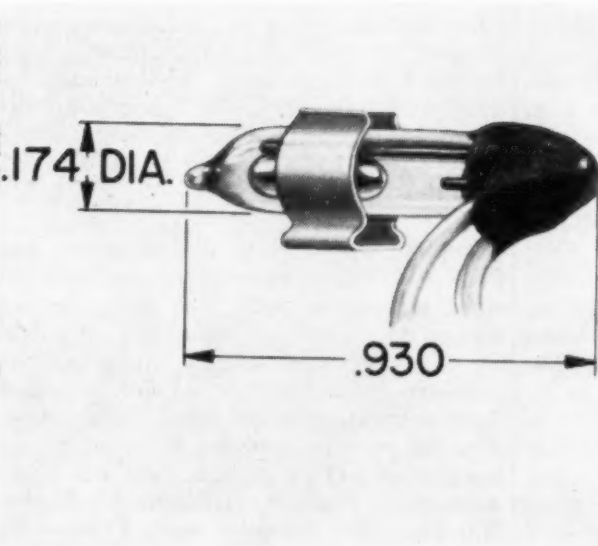
Injection Molding Mach.

Automatic Features

Model 703 plastics injection molding machine is in the 6-oz. range and offers all automatic features. Vertical configuration of Model 703 molding machine simplifies mold set-up and makes easy the handling of inserts in semi-automatic molding operations. It eliminates any overhanging loads on the press platens, conserves floor space.

Price: about \$22,000. Delivery: about 6 wk.

F. J. Stokes Corp., 5500 Tabor Rd., Philadelphia 20, Pa. (P.W., 12/15/58)



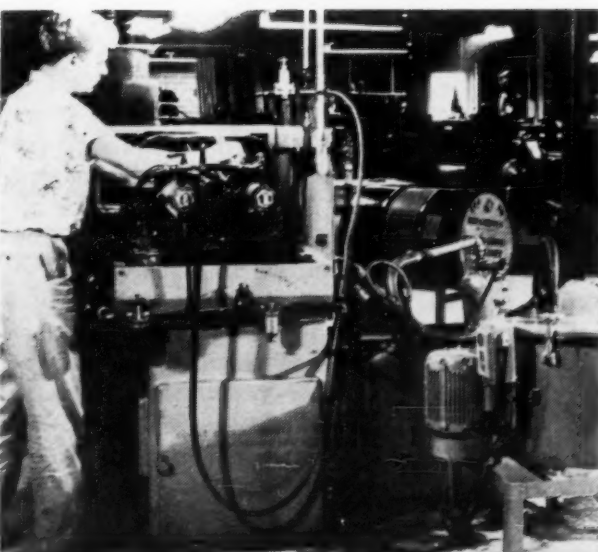
Mercury Switch

Weights 1.8 Gm.

Capsule-size mercury switch weighs only 1.8 gm. with leads attached. Miniature switch is designed for use in computers, scales, electronic organs, and other devices where a minimum of operating energy is available and space is limited.

Price: \$1.54. Delivery: immediate.

Micro Switch, Division of Minneapolis-Honeywell Regulator Co., Freeport, Ill. (P.W., 12/15/58)



Clarifier

A 14 Gpm. Unit

Portable centrifugal clarifier eliminates frequent draining and filling of coolant sumps. Used with a number of centerless and cylindrical grinding machines that finish aluminum spindles for textile mills, the clarifier is moved into place on casters and connected into the coolant return line.

Price: \$1,375. Delivery: 1 wk.

DeLaval Separator Co., Poughkeepsie, N. Y. (P.W., 12/15/58)

This Week's

Product Perspective

DECEMBER 15-21

Industry is spawning products and processes at a prodigious rate. Here's a rundown of some of the more potential-filled developments:

Continuous cut-off technique has been under development by the Armour Research Foundation. Patents have been applied for on equipment and method for **continuous, chipless forming and cut-off of cylindrical metal components**. Developers anticipate high speed operation using a small unit similar to an automatic screw machine. Technique is expected to interest machinery manufacturers and high volume producers of items such as needle bearings, rivets, and lock pins.

High-temperature metal processing in a vacuum by electron bombardment is a distinct possibility. Several companies are perfecting their techniques. **High-purity welded joints are possible. Also zone refining techniques**, (they are used to produce ultra-pure metal crystals for transistors, other semi-conductors) may be improved through electron bombardment. Still higher purities would be possible.

Powdered ceramics can be shaped and clad with a metal envelope in a single operation developed by General Electric engineers. Neither compacting or sintering is required. Here's how the process works: Ceramic powder is packed into a tube which is stoppered at both ends with rubber plugs. The assembly is then run through a standard swaging machine for shaping. The result is a dense compact; no further processing is needed. Cladding metals have been aluminum, zirconium, and stainless steel. Varying the powder's characteristics lets the producer vary the finished product's properties.

British-designed hydraulic motor develops high torque at slow speeds. According to maker, Chamberlain Industries, Ltd., London, the motor has a constant torque output at any speed from 0 to 50 rpm. operating in either direction. A variable-delivery pump feeds the motor. Torque output measures 3,500 ft.-lb. **It is designed for application on mixers, conveyors, and hoists.** Motor can be automatically or remotely controlled and does not require a braking mechanism for many applications.

A new family of solid-state devices (transistors are solid-state devices) serve as **tiny contact-less thermal switches**. Developed by Westinghouse Electric Corp., they are thermistors. Their basic characteristic is an abrupt increase in resistance when a specified temperature is reached. Normal resistance returns as soon as the device cools. **First industrial application will be for over-temperature protection of hermetically sealed motors** in large air conditioning and refrigeration systems.

Process for injection molding plastics may cut production costs as much as 25% for a wide range of industrial and consumer products. As developed by Columbus Plastic Products Inc., process involves pre-compressing molten linear polyethylene in a chamber then releasing it to the mold by valve. Sudden opening of the valve boosts the velocity of the compressed poly through a series of gates that lead to the mold. Process also differs from conventional in that it uses more gates. Extra gates speed mold filling, and help keep the poly temperature constant throughout the mold. Both Hydraulic Press Mfg. Co. and Acme Machine Corp. build equipment based on this technique.

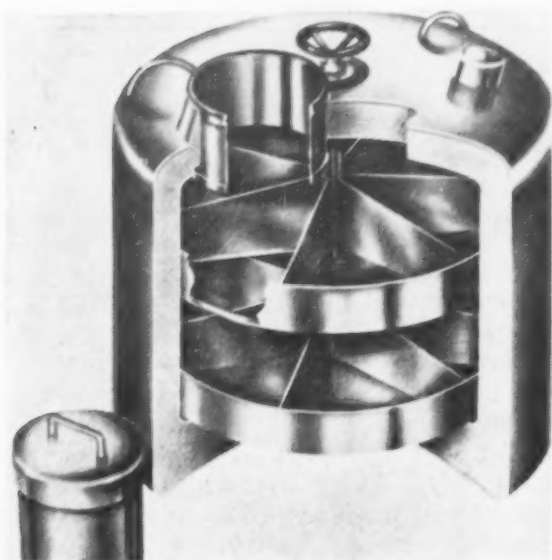
The quest for high purity in metal processing is taking some strange and awesome turns. Workers at the soon-to-be-completed Universal-Cyclops Steel Corp. metal fabrication plant will wear **space-suit type clothes**. The reason: **the entire plant—rolling mill, crane, and impactor—will be sealed in a building and surrounded with an atmosphere consisting completely of argon gas.** The plant will fabricate tungsten, molybdenum, columbium, tantalum, into missile cones, rocket engines, and space vehicle bodies. All are designed to operate at temperatures of 2,000 F. or more. Worker's space suits will have air piped in and carbon dioxide piped out.

• • •

The Armed Forces are looking to industry to solve some new problems. Problems fall into such broad areas as **aeronautics, missiles, space travel, instrumentation, automotive, and metallurgy**. Complete list of the problems is available from the National Inventors Council, U. S. Department of Commerce, Washington 25, D. C. The latest list, dated November, 1958, adds to a standing list of 300 problems wanting solutions. Also included are answers to many of the questions asked by companies submitting proposals to the government.

Your Guide to New Products

(Continued from page 17)

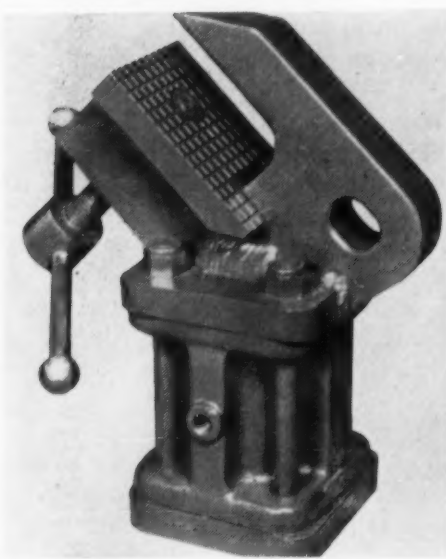


Refrigerator

Non-Mechanical

Large-capacity, liquid nitrogen refrigerator LNR-640-B can store 17½ cu. ft. of product at temperatures as low as -320 F., the boiling point of liquid nitrogen. Space between walls is drawn to a high vacuum and special insulation is added to minimize liquid nitrogen evaporation. Constructed of stainless steel it has capacity of 640 liters.

Price: \$9,690. Delivery: 10 wk. Linde Co., Division of Union Carbide Corp., 30 E. 42nd St., New York 17, N. Y. (P.W. 12/15/58)



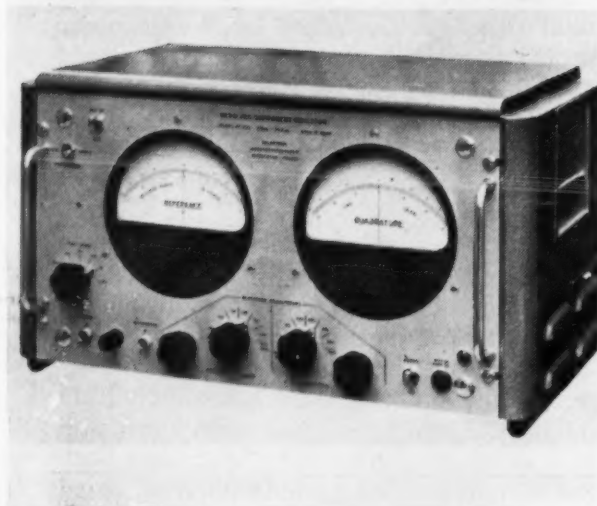
Air Vibrator

Completely Portable

VGX 3-in. portable air vibrator has jaws that open to 2 in. and is attached by tightening vise-like clamp which is part of the vibrator. VGX can be attached to almost any type frame, bin, box, or table without use of bolts. Vibrator has eye through which hoist hook may be attached for ease in moving around shop. Over-all dimensions are 14¾x13x6 in. Weight is about 90 lb. It develops 3,600 vibrations/min. at 60 psi.

Price: \$197. fob. Cleveland. Delivery: 2 wk.

Cleveland Vibrator Co., 2828 Clinton Ave., Cleveland 13, Ohio (P.W. 12/15/58)



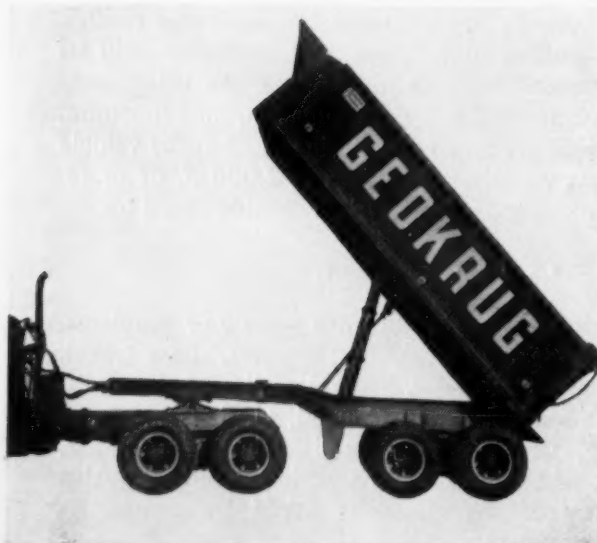
Voltmeter

Weighs 71 Lb.

Model VP 250-A resolved components indicator is for measurement of transmission characteristics, power frequencies, and related electrical, electrohydraulic and electromechanical functions. It is 22½x12x14 in.

Price: \$1,980. Delivery: 4 wk.

Solartron, Inc., 530-532 Cooper St., Camden, N. J. (Eastern Division); 10761 Burbank Blvd., North Hollywood, Calif. (Western Division) (P.W. 12/15/58)



Dump Trailers

Handle 35 Ton Loads

ET series trailers have great capacity and strength for off-highway application. Bodies are from 7 gage steel with full length I beam sills and I beam cross-members. Bottom dirt shedder side rails are formed from ¼ in. stock; top rail a box section protected from direct impacts by an inverted angle.

Price: \$8,064 (ET8-21). Delivery: 2 to 3 wk.

Talbert Trailers, Inc., 7950 W. 47th Ave., Lyons, Ill. (P.W. 12/15/58)

Profitable Reading for P.A.'s

"Reading Maketh a Full Man"—Bacon

Straight side crank presses are described in 44-page catalog, No. 64. It contains complete, illustrated information on all operating and structural features. It also includes useful charts and tabulated information concerning punch and press speeds, detailed specifications, and a special section dealing with the enclosed models. Catalog is available from Niagara Machine & Tool Works, 683 Northland Ave., Buffalo 11, N. Y.

Small-diameter tubing is described in 12-page Booklet, No. 41. It gives the form (Seamless or Welded), characteristics and applications of 63 standard and 26 special materials cold-drawn by Superior into small tubing. Standard tubing tolerances, lengths, straightness, and tempers are listed. Copies are available from Superior Tube Co., 1856 Germantown Ave., Norristown, Pa.

Self-contained lightweight reciprocating pumps incorporating means for demand-responsive flow-control and automatic pressure regulation of gases and liquids are described in Data Sheet, No. WF1642. Typical applications include pressurization of electronic equipment and hydraulic reservoirs, windshield de-icing systems, and hydraulic system leakage return. Copies are available from Waldorf Fluid Systems, Waldorf Instrument Co., Division of F. C. Huyck & Sons, Wolf Hill Rd., Huntington Station, L. I., N. Y.

"**New Wire Insulating Extruder Features 300% Faster Speeds**" is title of 4-page bulletin. It describes and illustrates the advantages of the TE-1 extruding machine. Photographs and drawings illustrate the features of this extruder, including the interchangeable cylinders for production flexibility, guide tube micro-adjustment for optimum concentricity, and rapid transverse motor for high speed operation. Copies are available from Jennings Machine Corp., 3452-A Ludlow St., Philadelphia 4, Pa.

"**Progress in Industrial Rubber Products**" is title of 16 mm color and sound movie. It shows how raw materials are used to produce quality rubber products through improved production facilities. It describes the process of making such vital products as conveyor belts, fire hose, etc. Scenes of modern laboratory facilities are highlighted showing the various routine and special tests performed on all raw materials and finished products. Film lasts 25 min. Arrangements for showing the film can be made by contacting Quaker Rubber Division, H. K. Porter Co., Inc., Tacony & Comly Sts., Philadelphia 24, Pa.

Over two hundred metallic-organic compounds are described in new brochure. It categorizes the compounds by main constituent elements (e.g. aluminum, antimony, boron) and provides convenient

reference data on their physical constants, standard packaging, and prices. A section is also devoted to those chemicals manufactured in commercial quantities. Specifications and principal uses are listed. Brochure is available from Anderson Chemical Co., Division of Stauffer Chemical Co., Weston, Mich.

Drum covers for dusty weighing operations are described in Product Data Sheet, No. 5804. It explains how the drum covers operate in conjunction with Richardson automatic scales to provide uniform filling of containers of various sizes. Operating instructions are given to illustrate how the drum cover unit descends to seal off the top of the container and prevent escape of fumes and dust. Copies are available from Richardson Scale Co., Van Houten Ave., Clifton, N. J.

Motor driven single bridge cranes, Type B-514 are described in 8-page folder, No. DH-445B. Features of construction such as end trucks; bridge beams, and truck connections; rail sweeps; axles; ring gears; tread wheels; drive units; controls; motor and electrical equipment; etc., including complete specifications, weights, capacities, and dimensions have been included. Copies are available from Wright Hoist Division, American Chain & Cable Co., Inc., York, Pa.

Dowpac, new plastic packing material used in the biological oxidation of liquid wastes is described in 32-page Booklet, "Dowpac-Applications in Waste Treatment." It contains illustrated information on the product's physical properties, assembly instructions, and operational characteristics. Information also is given which explains the wide design latitude possible with Dowpac. Booklet is available from Plastics Merchandising Dept., Dow Chemical Co., Midland, Mich.

New line of alternators featuring silicon rectifiers are described in 4-page folder. It illustrates how the new silicon rectifier has been successfully combined with the basic alternator, thus providing an alternator system with only 2 components instead of the previous 3 (alternator, rectifier, and the regulator). It also contains detailed specifications and operating information. Folder is available from Leece-Neve Co., 1374 E. 51st St., Cleveland 3, Ohio.

Complete application specifications, for PANATONE, non-combustible mineral wool acoustical pads, are presented in 4-page data sheet. It includes a complete list of materials, directions, and specifications for the installation of the pads and their supporting metal pans. Line drawings show every application detail of the installation. Data sheet is available from Acoustical Products Division, Baldwin-Hill Co., 500 Breunig Ave., Trenton 2, N. J.

Purchasing Week Definition

Two Ways to Specify Hardness

Brinell hardness—This is determined by a test which applies a known load to the surface of the material being tested through a hardened steel ball of known diameter. Brinell number is equal to the applied load divided by the area of the surface of impression. Standard practice uses a ball 10 mm. in dia. and a load of 3,000 kg. for hard metals and a 500 kg. load for soft metals.

Rockwell hardness—This test is made on a machine that measures hardness by finding how far a penetrator penetrates the specimen. Test conditions are fixed

according to arbitrary standards. Penetrator is either a steel ball or a specially shaped diamond. Hardness value as read from the dial is an arbitrary number related to the depth of penetration. The higher the number the harder the material. Rockwell hardness values are determined and reported according to one of several standard scales that depend upon the choice of penetrator and applied load. Rockwell hardness testers can be set up on a production basis to accept or reject parts according to hardness. (P.W., 12/15/58)



Reading P.A.'s Meet

Reading, Pa.—The Reading Purchasing Agents Association inaugurated a series of workshops at its last meeting as an educational project of the Eastern Pennsylvania group.

The November inaugural session was conducted by a New York management and training consultant, Louis J. De Rose, who has conducted similar courses before other purchasing associations. Seated with De Rose, left above, is N.A.P.A. District 5 Vice President Jack Brandamore. Standing: Robert E. Reddy, left, Reading association president; Paul C. Beacher, education chairman; and Frank White, vice president of the Lancaster purchasing association.

Hospital Buyers Form Milwaukee Area Group

Milwaukee—Hospital P.A.'s in the Milwaukee, Kenosha, and West Bend areas have organized a Hospital Purchasing Agents Association.

The association, which seeks affiliation with the National Association of Hospital Purchasing Agents, named the following officers: J. H. Labinski, St. Francis Hospital, Milwaukee, president; Mrs. Charlotte Spines, Doctors Hospital, Milwaukee, secretary-treasurer; and Mrs. Lois Contreras, St. Luke's Hospital, Milwaukee, national director.

Business Survey Heard At Alabama P.A. Meeting

Birmingham, Ala.—Spending for durable goods in the next six months will jump 15%, Alabama P.A.'s were told at their annual dinner meeting last month.

Former Kentucky Gov. Keen Johnson, now Reynolds Metals Co. public affairs vice president, made the forecast on the basis of N.A.P.A. business surveys of members.

Reviewing the growth of industry in the South, Johnson pointed out that Alabama was a leader in the industrialization of southern states. Johnson added that the South will provide 35% of the nation's manufactured goods by 1965.

10 Hospital Suppliers Integrate Operations

St. Louis—Ten hospital and surgical supply firms have formed a new corporation to integrate their operations and to improve financial structure. The merger makes Shampaine Industries, Inc. one of the leaders in its field.

Shampaine will produce college dormitory and motel furniture along with hospital, surgical, and dental equipment.

Value Analysis, Creative Ideas Pay Dividends Ann Arbor Purchasing Agents Assn. Are Told

Ann Arbor, Mich.—Creative ideas and value analysis through product exhibits have paid off for Brown & Sharpe Mfg. Co., Ann Arbor P.A.'s were told at their November meeting.

Henry B. Sharpe, Jr., president of Browne & Sharpe, said his firm's purchasing concept has produced substantial savings.

Creative ideas are those which change the basic design of the product as opposed to change in material and vendors to effect cost savings, Sharpe explained. To stimulate cost reduction think-

ing, comparisons are made between the dollar value of "creative" ideas and the cost of operating the department, Sharpe said.

The conventional value analysis approach is supplemented by his firm's "Product of the Month" program, Sharpe said. Each month a component or sub-assembly part of a product is exhibited at all of the buyers' booths, he explained. This stimulates conversation between visitors and buyers on ways to produce the part at lower cost, Sharpe pointed out.

Vendors with diversified industrial experience have proven to be valuable sources of cost reduction ideas, Sharpe emphasized.

Birmingham Elevates Its P.A. to Department Head

Birmingham, Ala.—The city commission has elevated its purchasing agent to department head status. The commission's action took purchasing out of the comptroller's office and placed it under the Mayor's jurisdiction.

In the move, purchasing agent C. E. Wiberg also took the building superintendent's department under his wing.

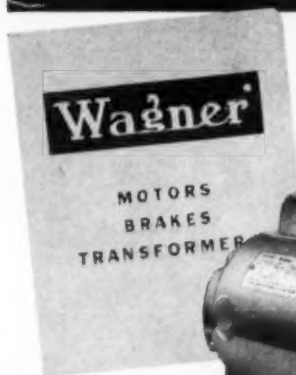
Wilmington P.A.'s Get Good Advice on Oils

Wilmington, Del.—Heed refiners' suggestions on your oil needs, Norman L. Gregg, Jr., of Gulf Oil Corp., advised Wilmington P.A.'s at their Dec. 1 session.

Gregg reviewed industrial heating oils and suggested that refiners' technical knowledge of lubricants could solve any problems.

Airing misconceptions, Gregg said there is a difference between heavy and light oils but it's not in the weight. The oils differ in that light oil flows freely while heavy oil pours slowly.

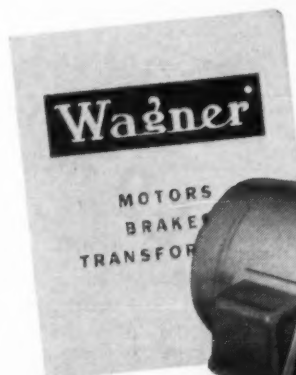
Which of these *ELECTRIC MOTOR BULLETINS* can be helpful to you?



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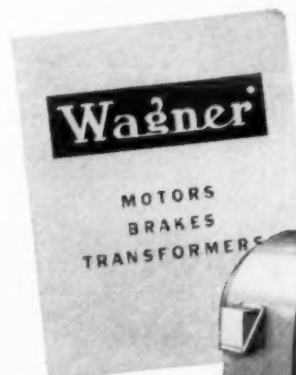
Bulletin MU-211. Illustrates and describes both single-phase and polyphase squirrel-cage motors, open and enclosed types; also fan and blower motors and jet pump motors.



Wagner

INTEGRAL HP MOTORS

Bulletins MU-212, 213. Cover single-phase ratings through 15 hp, and polyphase squirrel-cage motors through 1000 hp, open and enclosed types; also multispeed, punch press, crane and hoist, and wound rotor polyphase motors.



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WMS-15

'Greaseless' Car 1960 Possibility

Detroit—Predictions that automobiles of the future will do without virtually all grease fittings are now official. At least one 1960 automobile will be built without grease fittings and will not require steering gear lubricants.

The car, the make of which is currently "top secret," will use "fiberglide," non-lubricated lifetime fabric bearings made by American Metal Products Co. Best guess is that the "greaseless" automobile will be Ford's forthcoming small car.

The bearings, originally developed for jet aircraft, have been tested for 90,000 miles on individual autos without sign of wear. Fiberglide is actually polytetrafluoroethylene fiber, or Teflon. The bearing itself consists of a spherical ball stud around which a woven Teflon fiber socket is molded on assembly into a metal housing.

'Supermarket' to Serve Pacific Steel Buyers

Portland, Ore.—Pacific Coast steel customers will have supermarket service when Calbag Steel Warehouse Co. opens its new \$750,000 warehouse.

An 11,000-ton inventory will be housed in the 140,000-sq. ft. building. Orders will be filled within minutes after receipt under the "steel supermarket" plan, Calbag says.

Vascoloy-Ramet Begins New Pricing System

Waukegan, Ill.—Vascoloy-Ramet has instituted a new pricing system for its carbide blanks, inserts, brazed tools, and tool holders.

The company said base prices and quantity breaks have been established for both stock and non-stock items with all quantity prices refigured on stock items.

PURCHASING WEEK

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December 15, 1958

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for easy reference. The new system was instituted to correct inequities resulting from changes in the cost of material, labor, and operating expenses over a period of years.

As a result, some items have been increased in price, others remain steady, and others will be available at lower prices.

Jones & Laughlin Builds Blast Furnace Facilities

Aliquippa, Pa.—Construction of new ore and sintering facilities will triple blast furnace output at Jones & Laughlin Steel Corp.'s Aliquippa works.

The installation is the second phase of a two-part J & L program to improve its blast furnace burden. An ore sintering plant built earlier this year at Cleveland, Ohio, added approximately 2,700 tons of pig iron daily, a rise of about 500 net tons.

Ups Purchasing's Status

Emeryville, Calif.—Purchasing-Stores activities of Shell Development Co. have been given department status under the laboratory manager. Formerly it was in the general offices setup. Reed Chase continues as purchasing-stores manager.

In the World of Sales

Claude A. Pamplin, formerly assistant manager, **Fisher Scientific Co.**, New York, has been made general sales manager.

Clarence E. Giese, formerly with **Geo. A. Tinnerman Corp.**, Cleveland, has been named general sales manager of **Ohio Hoist Mfg. Co.**, Lisbon, Ohio.

Two new sales posts, field sales manager and sales-service manager, have been created by **Superior Tube Co.**, Norristown, Pa.,

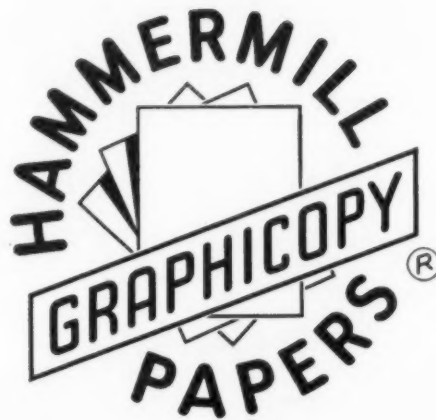
and assigned to **William C. Hanna** and **Lloyd M. Huston** respectively.

Walter W. Rooney has joined the **Belmont Packing & Rubber Co.**, Philadelphia, as general sales manager. He had formerly been with **Greene Tweed & Co.**, North Wales, Pa.

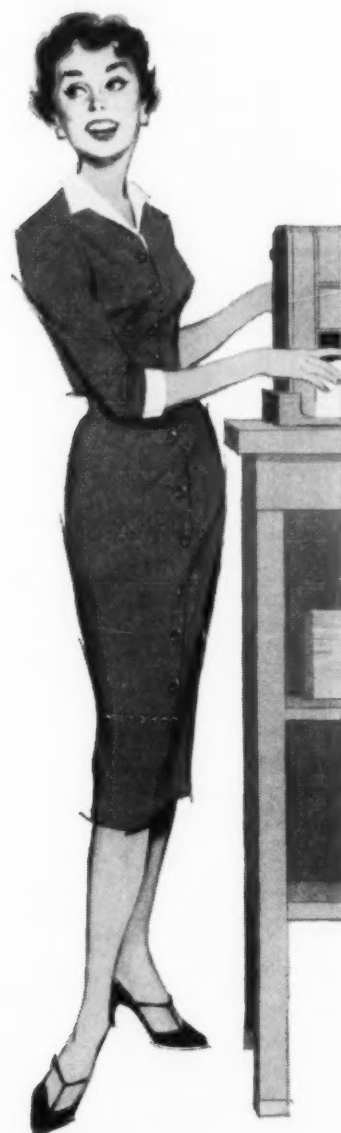
John F. Amlicke has been made manager of chemical equipment sales for **La Favorite Rubber Mfg. Co.**, Hawthorne, N. J.



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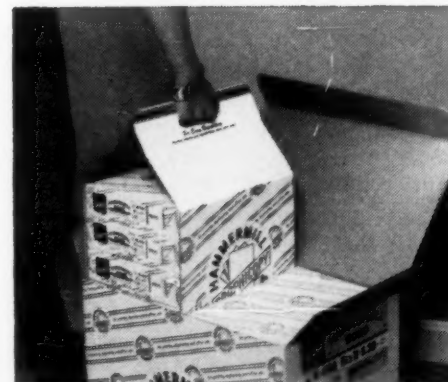
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Purchasing Perspective

DEC. 15-21

(Continued from page 1)

In discussions with hundreds of purchasing executives, *Purchasing Week* editors have found labor, taxes, inflation, general costs, and foreign trade among the most frequently recurring topics of so-called "big issue" conversation. More often than not they crop up in direct connection with specific day-to-day purchasing problems.

This general unanimity among purchasing men was mirrored in the N.A.M.'s fall survey of top executives referred to several paragraphs above. Seeking to spell out the greatest problems facing business and industry in 1959, the survey asked for a listing and rating of the year's toughest hurdles.

The more than 3,000 replies gave labor top ranking as the big issue facing business in the months ahead. It scored first in both frequency of listing and ranking in order of importance.

Taxation was a close second in both frequency of mention and importance. Inflation loomed as the third major issue but drew only about half the response as labor and taxes.

Other problems prominently listed ran the gamut of high costs, big government, uncertain business trends, international tensions, political activity and a variety of other domestic issues.

The survey also reflected the mounting protests and fears involving another continuing development on which industrial leaders have been sounding repeated and louder warnings. With industry now more outspoken than ever before in public affairs, hardly a day passes without at least one leading corporation official rising to discuss Communist economic warfare tactics or Western Europe's advancing "threat" to U. S. industrial leadership.

Validity of such concern of those issues will be argued for a long time. The point of the moment, however, is that industrial management's "big problems" for 1959 are purchasing's everyday problems today.

Gas Industry Will Buy More, But Orders Will Be Slow and Easy

(Continued from page 1)

The High Court overruled U. S. Court of Appeals decision which had held, in effect, that a pipeline company could not ask the Federal Power Commission for increased gas rates without prior approval of the pipeline customer companies.

L. D. Webster, vice president, Lone Star Steel Co., Dallas, said the biggest value of the decision will be a steady influence on the natural gas pipeline industry, rather than an immediate pickup in sales. He felt pipeline builders and companies now have a fairly stable future.

Some companies, like the Transcontinental Gas Pipe Line Corp., Houston, continued expansion plans despite the former ruling in the Memphis case.

Transcontinental's vice president, James Henderson, said he has already filed application with the F.P.C. for authority for additional construction next year amounting to \$41 million. This is part of the company's \$100 million expansion program.

Some Stockpiled

A number of firms in the industry purchased equipment needed for expansion as much as two years ago and stocked piled it. Now they're ready to move ahead.

But for the most part, companies dropped or modified "many, many millions of dollars" worth of expansion programs. Industry sources say now the over-all impact of the decision will not be felt for at least three years.

"It takes time to get large expansion programs actually under-

way," said one gas company executive. However, when the ball starts rolling, opined another, the industry should experience a "phenomenal" trend upward.

The general feeling is that the decision clears the air for the long-range picture in gas pipelines. Some observers point out that the original decision was handed down at about the same time the recession was getting underway and money was hard to come by.

Some Suppliers More Optimistic

Some pipeline suppliers, however, take a more optimistic view of the immediate future. A major Pittsburgh producer of meters and valves for the industry expects a definite resurgence in pipeline construction by mid-1959.

"A further increase should be felt by 1960," a top Rockwell spokesman said. "It could prove to be one of the top years in pipeline construction. The need for the lines is there and the rate situation should be clarified before then."

Inland Steel Co. predicts a definite increased demand for heavy plates resulting from the ruling. Heavy plates are used to make natural gas line pipe.

The Federal Power Commission is expecting a large batch of certificate requests from companies who have held off on expansion until the rate situation was cleared up.

"And we now will be able to process certificate cases and meet our administrative problems more easily," general counsel Willard Gatchell said. "I expect a good deal more business."

Scrap Steel Now Failing Tradition

(Continued from page 1)

here. But as yet, the scrap people have not formally requested any specific government action.

Through their trade association representatives, scrap dealers tell an intriguingly sad story of what has happened in their traditionally volatile market and price structure. Ferrous scrap was the first to feel the effects of the recession with slipping sales and price tumbles. But now with steel production on the upswing, scrap has not shared the recovery.

The reason: Steel mills have stopped buying scrap, relying more and more instead on raw iron ore to replace it in their furnaces. Steel, the scrap spokesmen charge, has frankly embarked on a research campaign to end the industry's traditional dependence on scrap.

In the meantime, iron ore imports from overseas are increasing, adding to the worries of the scrap people and also the domestic iron ore producers who must compete with both scrap and foreign competition.

Exports of scrap are falling off, too, as foreign mills also turn to cheaper iron ore and domestic mills apply political pressure against the exportation of high-grade scrap on grounds they just might need it themselves some day.

In major steel centers such as Cleveland, there is little sympathy for the scrap dealers among steel producers. The basic iron units used in steel making are pig iron and scrap, and the steel companies are using the most economical combination of the two they can find.

Most steel makers are assured of a relatively steady supply of the raw materials of pig iron through captive sources and for economical reasons they are keeping these mines working. They also find it necessary to insure domestic producers of a steady market for iron ore.

On the other hand, the supply of scrap has not been so steady. Scrap exports soared from 122,000 tons in 1946 to a peak of 5,900,000 tons in 1957 (excluding exports to Canada). This big export demand fired scrap prices, but then about the time steel production began to sag in this country, the demand for scrap slacked off abroad, too.

In the meantime, U. S. steel companies have been increasing blast furnace capacities, building sintering facilities to improve furnace charge materials and furnace productivity, and generally enlarging their demand for ore and coal for pig iron.

Milwaukee Investigating Identical Rock Salt Bids

Milwaukee—Wisconsin's state Attorney General's office has been asked to investigate identical pricing of rock salt bids.

The County Park Commission here turned to the Attorney General after three firms submitted bids of \$21.60 a ton for carload and \$28 a ton for truckload lots.

One company said all firms paid the same price at the mines. The commission attorney said he spotted evidence of illegal restraint of trade.

Price Changes for P.A.'s

Heating Oils—Tags of heating oils on Long Island and in Westchester County, N. Y., have been advanced 0.3¢ a gal. No. 2 fuel is now quoted at 15.2¢ a gal. at both places.

Dyestuffs—Ortho-nitrotoluene and ortho-toluidene, dyestuff intermediates, will rise 2¢ and 3¢ a lb. respectively on Jan. 1. It puts the tankcar price for ortho-nitrotoluene at 13¢ a lb., with carlot tags at 15¢ a lb., and less carlot tags at 16¢ a lb. The tankcar price for ortho-toluidene will be 28¢ a lb., the carlot price 30¢ a lb., and the less carlot price 31¢ a lb.

Para-nitrotoluene has been boosted to 26¢ a lb. in tankcar quantities. New carlot and less carlot tags are 27½¢ and 28¢ a lb. respectively.

Plastic Resins—Monsanto Chemical Co. has cut its price on polyvinyl chloride general-purpose plastic resins by 1.5¢ a lb. The new price is 23.5¢ a lb.

Twill Cloth—Three major textile manufacturers have raised twill cloth tags 1½ to 2¢ a yd. New tags are 49½ to 57½¢ a yd. for twills weighing 6 to 8.5

oz. a yd. 8.2 oz. cloth is now 54¢ a yd. Rising demand and higher unfinished cloth prices are reported responsible for the boost.

Mining Equipment—Loading machines, cutting machines, continuous miners, shuttle cars, and mine fans have been boosted in price by Joy Mfg. Co. The 5% boost is reported due to increased labor and materials costs.

Gum Turpentine—Southern gum turpentine has dropped ½¢ a gal. to 52¼¢ a gal. Slack seasonal demand is reported responsible.

Barium Oxide—Food Machinery & Chemical Corp. has boosted barium oxide tags ½¢ a lb. to 13¼¢ a lb. in carload quantities.

Crude Oil—Shell Oil Co. has cut the price it will pay for most Oklahoma crude oil by 7¢ a gal. New top posting is \$3.80 a bbl. for 40-degree gravity crude. The Texas Co. announced a 10¢ a bbl. price cut for its purchases of crude oil in Kansas. New top posting for 40-degree gravity crude is \$3.05 a bbl.

Alabama Schools Will Buy Through State

Montgomery, Ala.—Governor James E. Folsom has ordered all Alabama school and eleemosynary institutions to start making all purchases through the state's purchasing office.

In another purchasing directive, Folsom stepped into a financial controversy involving the Mobile State Docks and ordered the dock officials to buy strictly on bids.

The state docks' previously operated on a so-called "open and appropriation"—purchase of anything desired out of operating revenues. But this practice recently resulted in several inquiries into the buying policies and activities of the docks director and his staff.

The governor's order for state buying of school and other institutional needs came following a survey by State Finance Director Edward Pepper indicating pos-

sible quantity purchase savings of between \$2 and \$3 million a year.

Various schools and institutions now buy what they need piecemeal.

N.A.M. Head Calls Lower Taxes Vital to Economy

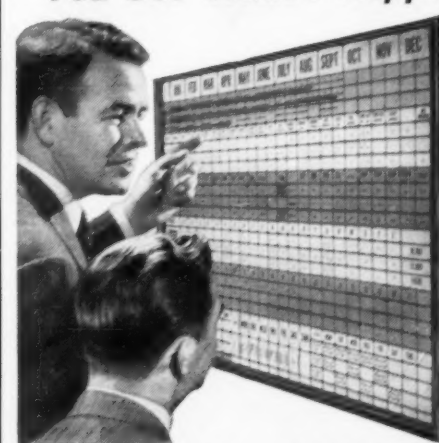
New York—Lower tax rates and labor reform legislation are vital to a sound national economy and maintenance of a competitive edge over Communist rivals, N.A.M. president Milton C. Lightner declared recently in a speech.

Addressing the N.A.M.-sponsored Congress of American Industry, Lightner said, "We live in a fool's paradise if we believe we can continue confiscatory taxation and neglect capital formation and allow our eagerness to consume to take precedence over the need to save and invest."

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Industry Planning Early '59 Growth

All Durable but Autos To Buy More Equipment, Spend More on Plants

(Continued from page 1)
of a McGraw-Hill survey conducted last fall (P.W. Nov. 10, p. 1) in which fractional gains in most groups were indicated for 1959.

The federal analysis showed business as a whole moving in the same direction at about the same pace. While indicated gains were small they were widely distributed, convincing government analysts they pointed to a significant rise in business activity.

The government estimates total plant and equipment spending will hit a seasonally adjusted rate of \$30.5 million in the first quarter of 1959. The second consecutive quarterly advance since the 1958 third quarter recession low, it would represent a gain of almost \$1 billion on an annual basis.

Showing strength are durable manufactured goods, led by non-ferrous metals, building materials, and non-automobile transportation equipment. Autos are the only durable goods industry expecting a decline in the first quarter compared to current outlays.

But non-durable industries did not show the same consistent trend. Paper, petroleum, coal, and textile mill products demonstrated a slowing down. Chemicals are staging a lively rise, however, with enough push to carry non-durables as a whole into a slight increase.

As a group, durables are expected to rise to an annual rate of \$5.3 billion in the first quarter compared with a current \$5.1 billion. Non-durables as a whole will go up \$30 million to a \$5.7 billion-rate.

One sobering note in the government survey was the continuing decline of manufacturing outlays. Whereas industry as a whole reached a recession low last summer, manufacturing appears to be sliding again in the current quarter. But if present expectations of manufacturing executives are borne out, the spending flow will rise from a \$10.8 billion current rate to an \$11 billion rate in the January-March period.

Non-manufacturing industries

are, on the whole, showing more vigor. Among the liveliest are the non-rail transportation industries, paced by the rush of airlines to acquire jets. This industry group has increased purchases by one third since the recession low. Natural gas companies, in a drive to extend pipelines, have chalked up a half-billion rise since mid-1958. Retail store construction leads the commercial category rise.

Team Offering Value Analysis

(Continued from page 1)

key purchasing, engineering, manufacturing, financial, and marketing personnel in the application of value analysis as it relates to their jobs.

- Advanced value training: Provide additional training for the men who will head the company's value program.

- Value analysis practices: Maintain a good value climate through continued consultation, guidance on specific value problems, assistance in selecting and utilizing specialty suppliers, and offering new information on materials and processes.

Teaches to Buy Function

"Value analysis training," said Fowlkes, "teaches the purchasing agent, for example, to buy function, not the part. This can usually remove 15 to 25% of costs almost immediately."

Fowlkes and Leslie noted that there have been cases where value analysis actually removed 50% or more of hidden costs even after the best job had been done in design and manufacturing.

Men trained in analyzing value, they said, bring to their jobs new cost consciousness, increased value ability, quality consciousness, new positive attitudes, increased enthusiasm, and new information concerning the company and outside suppliers.

Fowlkes, who has been with G.E. since 1953, worked in eight various departments before joining the Value Analysis service. Leslie has more than ten years with the company.

"The management at General Electric has given us their blessing and good wishes," Leslie said. "They also realize there is a need for a service of this type in industry today."



Longshoremen Shy at Handling Containers

New York—Threatening to extend their New York freight container boycott to all Atlantic and Gulf ports, longshoremen are seeking an industry wide showdown meeting. International Longshoremen's Association leaders are demanding a firm policy on pier automation and freight containers which they consider a job threat.

Loading of mail to U.S. military units overseas was delayed temporarily when I.L.A. members here refused to load containers (above). Containers were packed with mail sacks which stevedores wanted to handle individually. The men finally relented after recalling many of them had served in overseas units during wartime.

An I.L.A. spokesman said shippers, government, and union officials have been invited to attend the container policy session in Washington. Some industry officials already have signified willingness to attend.

Container ban was ordered here 10 days ago against firms which started containerized freight operations since Oct. 1, 1956.

Employment Improvement Shows Evidence of Expanding Economy

Washington—The marked improvement in employment last month gives evidence that the economy now is rolling along again at its former rate of expansion.

Purchasing men watching the state of the economy and the unemployment picture will find evidence of this in the government's employment-unemployment report of last week. Unemployment remained at 3.8 million—the same for October—instead of taking the usual sharp rise for this time of year.

And instead of decreasing, manufacturing employment actually jumped on the basis of a strong showing in the durable goods industries.

These factors bolstered the belief of government economists that unemployment won't be as bad this winter as last; that jobless totals will fall short of 5 million. Some of the experts are even talking now that full employment will be reached next year after all, probably in the fall.

And it went a long way to dispelling any concern that the economy had taken a significant turn and settled into a slower rate of pickup than in the early months of recovery. The definite business slowdown in September and October can be accounted now in great part at least to the number of strikes occurring in those months.

With these workers back on the job in November, employment and hours worked picked up noticeably. This in turn is certain to reflect notable improvements in other statistics such as industrial production and personal income which will be released later this month.

The new report also showed that labor costs had hit a new record high, with average weekly earnings of \$86.58 in the month. Durable goods industries were paying record weekly average earnings of \$94.13.

Total manufacturing employment in November stood at 15.7 million, an increase of 155,000. All of this was accounted for by a rise in durable industries of 238,000, while non-durable payrolls fell off a normal 83,000.

The seasonally adjusted rate of employment showed a dramatic improvement, falling from 7.1% to 5.9% of the labor force. Average hours of work also increased due to a significant pickup in overtime work in the durable goods industries.

The most noticeable improvement in employment came in the auto and metal industries. Auto employment jumped 173,000 in the month following settlement of the General Motors strike.

Higher Tax Signs Seen—Rep. Mills

(Continued from page 1)

revenue will have to be found somewhere if the budget is to be balanced in the foreseeable future.

Mills, a Democrat from Arkansas, is a fiscal conservative who favors a balanced budget. His views of taxing and spending are being revealed in a series of speeches before business groups, but he is probably talking chiefly to fellow Democrats, particularly new members elected in last month's landslide. Mills works closely with Speaker Sam Rayburn in the House, and Senate Democratic Leader Lyndon Johnson. His views are likely to become Democratic doctrine by the time the new Congress buckles down to work.

Mills is against increasing rates. He hopes that Congress will look for additional revenue by broadening the tax base.

Here are some of the tax activities that will be going on next year under Mills' direction:

Corporate income tax rates—They'll be extended beyond their June 30 expiration date at present 52% rates.

Insurance companies—They'll be taxed on part of their investment income (as they are now) and on part of their premium income (which isn't now taxed).

Capital gains—Consideration is being given to cutting back on kinds of income entitled to the 25% tax rate.

Depletion—Present special 27½% deduction for oil producers will be under heavier attack this year, but odds are against any reduction.

Gasoline tax—Odds favor an increase in the present 3¢ federal gasoline tax in order to pay for highway construction, and excises on other highways user items are possible too.

Korean excises—Rates on cigars, liquor, and a number of other items, will be extended beyond their June 30 expiration date, as they have been regularly since the end of the war.

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Aluminum Producers Join Trend; Guarantee Prices Through June

Talk of Raise Fades as Firms Act to Stabilize Market; Move Gives Purchasing Men 'Greenlight'

(Continued from page 1)
have kept world prices under pressure. And with Aluminium Ltd. of Canada, sending large amounts of ingots into this country, a price boost is somewhat out of the hands of U.S. producers.

The proof of this pudding lies in the 2¢ a lb. cut made in aluminum tags last April. It was initiated by Aluminium, and domestic firms had to follow suit. So any chances of U.S. manufacturers boosting their tags without joint action from the big light metal maker north of the border was just not possible.

Result of Aluminium Action

In fact, the big move last week was the result of action initiated by Aluminium. The announcement that stimulated the new price policy was notification by Aluminium to its customers that the usual 60-day price protection clause on prices would no longer be in effect on new orders for aluminum.

The firm went on to state that in order to prevent this policy from being a hardship, orders for ingot taken during the remainder of 1958 and shipped before July of next year, would be priced at current quotations.

The reaction from American producers came quickly. In a series of announcements over three days, U.S. firms matched and went two steps further than the Canadian producer. They guaranteed current tags on all orders and shipments through next June and added finished goods to the original aluminium guarantee covering only ingot. Aluminium quickly followed the American firms in broadening their guarantee.

"To Prevent Chaos"

Aluminum Co. of America, the first U.S. producer to broaden the coverage of the guarantee to all orders through next June, claimed to do so "in order to prevent chaos in the aluminum industry." Speaking about the guarantee which originally would have lasted only to the end of the year, Vice President Donovan Wilmot of Alcoa stated:

"Their (Aluminium's) plan is unmanageable, it imposes a tremendous hardship on customers . . . since it is virtually impossible for them to anticipate exact specifications on future orders in such an extremely limited period of time."

The new plan, said Wilmot, makes it unnecessary for purchasers to place hurriedly large blanket orders, the specifications of which continually have to be changed. The latter course, he added, could not fail to result in confusion and disorder.

A Boon to P.A.'s

The result then of this situation is a boon to P.A.'s for you can now look forward to stable aluminum ingot and products prices through the first half of 1959 as opposed to the uncertainty which previously existed. Many buyers felt they were being "squeezed" because of the threat of an im-

pending price boost. As one P.A. told P.W.:

"We had salesmen coming around from companies we have never done business with telling us to protect ourselves against the price increase, to try to scare us into buying."

What then will be the situation after next July? At this point,

there's no one answer. You can't be certain that a complete elimination of price guarantees is coming despite official announcements. With buyers in the driver's seat and the industry bucking for use expansion, U.S. producers may hesitate before making such a move.

Chances of the continuation of further six-month guarantees are poor, but a shorter "price freeze" following the current guarantee is possible. Remember though, that the continuance of a price guarantee policy does not preclude the chances of an aluminum price boost in June. International market factors will set the determining tone in this case.

Chicago-West Coast Freight Time Shortened By 4 Railroads to Compete with Trucklines

Chicago—Freight runs between Chicago and the West Coast have been speeded up again.

In their continuing battle with truckers, four railroads trimmed another day from existing delivery schedules to the Los Angeles and San Francisco area. Since March, the two full days have been cut from Chicago-West Coast railroad freight schedules.

The new runs offer delivery at Los Angeles and San Francisco on the third day, with delivery

by truck at other points in those areas on the fourth morning. This setup is designed to meet competition from trucking firms which have been making fourth morning deliveries of less-than-truckload merchandise at California coast points from Chicago for some time.

The railroads involved are the Rock Island, Burlington, Santa Fe, and Western Pacific. In addition, the Rock Island and the Burlington expedited their service to Denver.

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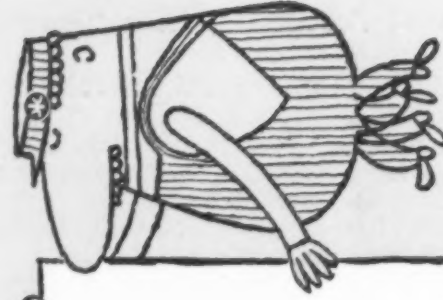
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